WHAT HAPPENED TO EUROPE—By Frank A. Vanderlip

THE FINANCIAL POST

The Canadian Newspaper for Investors

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VAST CREDITS ALONE CAN PREVENT AN INDUSTRIAL AND COMMERCIAL TRAGEDY IN WAR-RIDDEN COUNTRIES

Vanderlip—Leading American Banker and Former Journalist—Gives Business and Financial America a New Picture of War's Awful Effects

BOLSHEVISM WORSE THAN BANKRUPTCY

Present Social and Political Tendencies Have Makings of a World Tragedy—Railroads a Muddle and Currencies a Chaos as Explained in This Instalment of "What Happened to Europe"

IT is a serious and even gloomy picture of conditions in Europe which is painted by Frank A. Vanderlip in urging upon America the great necessity for giving financial aid, but few men are so well qualified to discuss the social, industrial and financial problems which he studied at first hand. Until recently the president of the National City Bank of New York, and long recognized as one of the leading financiers of the United States, Mr. Vanderlip had in his earlier years that practical journalistic experience and training which enables him to present economic problems in a forceful and practical way. His candid description of Europe's physical exhaustion by war efforts has been called pessimistic, but it is worthy of the most serious consideration of business men, financiers and investors.

His account of conditions overseas based upon three months' personal and exhaustive examination, will be presented in THE FINANCIAL POST by special arrangement with the New York *Sun* in several instalments in forthcoming issues. His introduction to and explanation of why he wrote the narrative follows in part:

> There was never a more unpremeditated book. We landed in England February 2, 1919, intending to take a hurried glance at financial conditions in London and on the Continent and be back in New York by the first of April. Almost within a few hours I found that I had known practically nothing of what had happened to Europe. The process of learning proved so fascinating, there was such wealth of opportunity on every hand, that we cancelled sailing engagements on one boat after another while we travelled through France, Switzerland, Italy, Spain, Belgium and Holland. At last we sailed homeward, leaving Southampton May 10, 1919, on the S.S. Olympic. Up to the time we waved good-bye at the Southampton docks I had no remote intention of writing a book about European affairs.
>
> Sitting down in quiet with the strange prospect of five days of leisure after three months of intense activity, during which I had visited seven countries and had received impressions from interviews with hundreds of people of importance, representing at least fifteen countries, for the first time it came over me how much there was to tell about conditions as I had seen them in Europe. I shrank from the prospect of going over the story hastily with various people who might be eager to get in a word my impressions of our new world.
>
> I have reached what to me are some startling conclusions. They are set forth in what follows with such fulness as was possible within the limits of the time. If they were only my own conclusions there are some of them that I should doubt myself. It is hard to believe, when one sees what is outwardly a perfectly normal country, with its people quietly moving about, apparently fed and clothed to a normal standard, that there may be impending a catastrophe for such people, a catastrophe that they themselves do not dream of at the moment, a catastrophe that may be marching with the grim certainty that marks tragedy. But this catastrophe may be averted if statesmen are wise enough and if America is wise enough, for America is the last hope of Europe.
>
> America must be brought to understand what has happened to Europe and be filled with sympathy, but not with sympathy alone, for charity alone cannot save Europe. America must understand how her own fortunes—her own future—are bound up with the fate of European civilization, and that European civilization is confronted with extreme dangers. Without America's help the catastrophe cannot be averted, I believe, but by America's help I do not mean America's charity. If once we grasp the full import of what the war has brought to Europe, at once we see what vast responsibilities and opportunities the war has brought to us. I believe we will place ourselves at the service of Europe as a whole nation, just as we threw our whole national strength into the task of saving Europe and the world from military domination. Europe is now to be saved from a financial and industrial breakdown. There are possibilities of a cataclysm in the situation and time will move very rapidly. I believe much of the disaster can be averted, but that can only be done if America understands. . . .

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Chaper I.

Paralyzed Industry

I WENT abroad to learn at first hand something of what the war had done to the finances of Europe. I had gone but a short way in that investigation before I perceived that there was something far more fundamental and important to investigate than finances.

Perhaps nothing worse than national bankruptcy with its attendant results can happen to a people. I believe, however, that something more far reaching and more disastrous than mere bankruptcy has happened to a number of European nations.

The most profundly significant thing that I sensed in Europe is the disorganization and paralysis of industrial production. The paralysis is not confined to the war zone. It extends to the industries of the neutral countries. So long as it continues there is danger of revolutionary development and Bolshevik tendencies. Wherever unrest develops into Bolshevism, that new name for an old disease, anarchy, there is danger of contagion, and the disease is liable to spread to adjacent territory. This makes it necessary to regard Europe as a unit in any forecast of future conditions, for no government is strongly enough fortified against the inroads of this microbe of social contagion to permit its future to be regarded as safe when its neighbors develop this type of revolution.

It is not my purpose to write any description of the war front or an detailed account of what has happened to industry in the devasted districts. I motored as the guest of the American, French and Belgian Governments through the whole battle front from the German border to Zeebrugge. It is idle to attempt to picture that trip to any one who has not seen what the desolation of war really means. There is a scar across France and Belgium along which devastation is complete—villages that are just dust heaps, cities in which not a building remains, acres of land permanently despoiled so far as agricultural use is concerned.

I rode for many miles along roads which had been lined with magnificent avenues of trees seventy-five or 100 years old. These had all been felled, and not because the wood was needed. For over two years they lay where the skilful German axe and saw had put them—destroyed apparently in a frenzy of destruction.

I saw broad orchards every trace in which had been sawed off close to the ground and they still lay there as they first fell in pitiful rows, although no military engagement had taken place in the vicinity to give semblance of a military reason for the act. I saw great factories in the occupied district of Belgium that had been operating on German supplies up to a few days beore the armistice and which were outside the range of active military operations, which were systematically and completely destroyed, chimneys toppled over, bombs placed in every boiler and machinery wholly wrecked. If I were writing a book on the war I would devote a chapter to telling about the systematic destruction of industry for solely commercial purposes; how factories were selected that were competitive to German industry and ruthlessly destroyed, while others which were standing nearby and which were noncompetitive were left unharmed.

In a sense, Germany has won one of her objects. She has destroyed the industry of northern France and much of the industry of Belgium, so that no matter how great or in what form indemnity is secured these industries cannot be replaced before similar

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SHIP PLATE CONTRACT

Agreement Between Government and Dominion Steel Concluded

By Resident Representative.

MONTREAL.—Official announcement was made to-day by the Hon. C. C. Ballantyne, of a new contract with the Dominion Steel Corporation at a price of $3.65 per hundred pounds for ship plates in place of $4.15. This means a new rate of $81.76 per ton in place of $92.96, or a total for the 250,000 tons of $20,440,000, as against the old contract of $23,240,000, or $2,800,000 less. Work will be commenced at once on a huge plant a quarter of a mile long, and plates will be turned out early next year.

FEED SITUATION IS MUCH WORSE THAN LAST YEAR

Quick Action Must be Taken to Save Live Stock

SASKATCHEWAN RAINS

Situation a Little Better There and Still Good in Manitoba —Alberta Badly Scorched

By E. CORA HIND,
Commercial Editor Manitoba Free Press

EDMONTON.—Since last writing have made an extended run over the country south of the main line of the C. P. R. in Alberta and find that with the exception of the irrigated belts at Lethbridge, Bassano and Ronalane and a few widely scattered areas visited by local showers, the grain crops are practically a total loss. The estimate acreage in wheat alone in this territory was over 2,000,000 acres, and in 1915 from a much smaller acreage the territory shipped 38,000,000 bushels of grain. Farmers and bankers alike state without hesitation, "The crop is gone, but we would not mind so much if we could get some feed for our cattle."

Up to June 15 this territory had an exceedingly fine promise of crop, the only ground for anxiety being that there was no surplus moisture in the soil. From June 15 to 21 there was a period of hot weather and no rain, and in those seven days the fair promise was turned to practically a total loss. When I motored over the district on the 5th and 6th, the same hot wind was blowing; 17 years of crop inspection held no memory of any such scorching wind as was experienced that day. The wonder is, not that so much of the crop is burned up, but that a green blade was left. During Saturday there were two furious dust storms.

North of the main line of the C.P.R. up to Red Deer, conditions, while not so serious as south, are very bad indeed, and the north-eastern end of the province is also dried out. For twenty-five miles around Edmonton conditions are good, and men coming from the Peace River country report prospects of a crop good and that there is some native hay, though nothing like the supply of last year.

Saskatchewan Rains

Within the week Saskatchewan has had heavy general rains, and this will materially help some of their crops and will also provide a good deal of feed, but of course has come too late for hay, either native or cultivated.

Manitoba has continued to report favorable weather conditions and the outlook for an abundant crop. The damp heat occasioned anxiety as to black rust, but for the last few days it has been cool with fair winds and cool nights, and conditions at the moment could hardly be more favorable.

Alberta's Feed Problem

To return to the question of feed in Alberta and parts of Saskatchewan, the situation is worse than last year because there are no reserve straw stacks, and in northern Saskatchewan none of the lush growth of native hay of last year.

It is figured that Alberta will have 45,000 tons of alfalfa and timothy from irrigated lands, but as there are 400,000 sheep and nearly as many cattle south of the main line of the C. P. R., to say nothing of those in

Continued on page 5.

C. M. A. Affairs

The *Advertiser*, London.—A pretty spectacle comes out of Toronto and the affairs of the Canadian Manufacturers' Association, which involves an exchange of epithets that make the smallest of small town journalism or the wildest statements at a labor meeting seem insipid by comparison.

THE FINANCIAL POST recently came out in an editorial criticism referring to the "pinhead" management of the C.M.A., claiming that the attitude of the manufacturers, as expressed by their publications, was making for strife with labor and with the farmers. Lieut.-Col. J. B. Maclean is the president of THE POST, and when the C.M.A. opened its sessions the other day, Sam Harris, a Toronto member of the association, took occasion mildly to reprove Col. Maclean by referring to him as a "yellow cur." He said a cur was the lowest breed of dog, and a "yellow" cur the lowest breed of a cur.

This is the thing the Toronto newspapers feature in their reports of the meetings, the personal attacks of one faction of the association upon the other. A whole session was apparently devoted to attacks on Col. Maclean, at a time WHEN THE DOMINION IS LOOKING TO MANUFACTURERS TO GIVE THE COUNTRY FORWARD IMPETUS.

The Billingsgate character of the criticisms and the poor spirit shown would disgrace a meeting of the lowest "lowbrows."

THE *Advertiser* is not quite accurate. There was no exchange of epithets. THE POST had said a small clique among the Toronto membership—their sayings and doings—was responsible for the present unpopularity of the Canadian manufacturers. Sam Harris admitted he was one of them and proceeded to prove conclusively that THE POST was absolutely right. A reply was therefore quite unnecessary. Not only did Sam Harris say the "Public be damned," but he went the old railroad magnate one better and called those who did not agree with him and Ex-President Parsons, the vilest epithet he could think of. In this, as Colonel Maclean pointed out, he insulted the Irish and showed further ignorance, for the yellow cur, the wonderful little Irish terrier, is the most intelligent of all breeds of dog. Publication, with the comments similar to the above, right across Canada has awakened the membership generally to the rottenness of conditions at the head office brought about by this underground clique of small men and the necessary reform has been quickened.

The C.M.A. has grown to over 3,500 members. Yet the average attendance at the sessions of the annual meeting was probably less than one hundred. It is therefore very easy for a clique of small-minded busybodies to control and misrepresent and make enemies and trouble for manufacturers generally, even when there are a majority of able men on the committees. There is no provision for proxies, and a proposal by which the membership generally would have a greater direct voice in the affairs was very quickly suppressed.

There is only one way to meet such a situation—the employment of a big, strong, able general manager who will surround himself with an executive committee of the most experienced, most capable manufacturers in Canada, big men who will think it as great an honor to serve there as to be on one of the banking directorates, men who will serve the interests of manufacture directly and help to build up all Canadian industry indirectly. But the men who made the noise referred to by the *Advertiser* can't see beyond a $5,000 clerkship—the view expressed a year ago by Mr. Parsons.

A number of corporations, with capitals of a million up, pay their presidents or general managers $25,000 to $100,000 or more a year. They cannot get the right man for less and the right man is not always a technical expert. Frank A. Vanderlip, who has just resigned the presidency of the National City Bank, New York, one of the most powerful financial organizations in the world—a position he filled with great success for ten years—had had no banking experience when the biggest financiers on the continent selected him for the assistant managership of that great institution. Eight years later they made him president, which is the same as general manager with us. Mr. Vanderlip was a reporter on a Chicago daily and was promoted to the financial editorship. Later as a political reward, he went to Washington as private secretary of a Cabinet Minister. He was such a genial, obliging, popular, intelligent young chap, and he handled the many interests that went to Washington so tactfully, that he attracted the attention of a group of men who recognized and wanted to overcome the antagonism to big business that prevailed twenty years ago in the United States. They started him as vice-president, paid him a big salary, and made him the mouthpiece of big business.

But the Canadian manufacturers, with $3,000,000,000 invested, when the need of a general manager was forced upon them, selected not a Vanderlip or a Beatty who knew how to deal with the public, but an entirely different type, a minor transportation expert—a $3,000 or $4,000 man.

If a capable, experienced man like Beatty or Vanderlip had been at the head of the C.M.A. he would have been in touch with every session of the great Cost of Living Committee and would have so shaped the evidence that true facts would have been brought out and the misrepresentations that have reflected on all manufacturers would not have been permitted. The C.M.A. fell down so absolutely on this great opportunity that the chairman of the committee had himself to come to their rescue and plead for fair play, particularly the press. Only two papers outside of THE FINANCIAL POST showed how inaccurate and unfair were the trick questions and the unjust interpretations put by the answers by the daily press generally and now being copied and commented on across Canada down to the small weekly serving a remote country-side. The C.M.A., to whom we look for help, has not made one move to correct an injurious impression that will take a generation to completely eradicate. Why? Because men of the Parsons-Harris type are in control.

MR. PARSONS' MISSTATEMENTS

By J. B. MACLEAN.

S. R. Parsons was president of the C.M.A. in 1917-18. He liked the honor so much that he put his whole thought into it. He enjoyed it; it became so much of his life that he forgot in 1918-19 that he was no longer president. In fact he complained several times recently to his friends that he was so busy with association affairs he had no time for the B. A. Oil Co., where he is employed. He was always on the spot with a speech or a letter to defend capital, or to attack any who might not agree with what he—always with the best of motives—thought inimical to the C.M.A. It became a habit with him. There was, too, perhaps, a touch of vanity, which warped his good judgment and he began to speak unwisely and to make foolish suggestions. This rather displeased some of the industrial leaders for whom he assumed to speak. He threatened the Methodist Church with the disapproval of the millionaires just when men of this type are trying to keep under cover. His last break was a letter to the Press, suggesting that the place to look for profiteering and high prices was the wholesale and retail trade. Experienced manufacturers agree with Lloyd Harris that the biggest problem before us is not the making, but the selling of Made-in-Canada goods, that the friendship and co-operation, particularly of the retail merchant, is absolutely essential. Their opposition would kill the Made-in-Canada movement; and for the self-assumed mouthpiece of the C.M.A. to rush into print over his own signature in so uncalled for a way was quickly recognized as damaging. But Mr. Parsons now explains he was merely emphasizing something the Minister of Labor said—but, which it happens, he did not say. This makes it worse, and it is also an example of the little vanity habit referred to above, that, of course, the public would not approve of the idea until it had Mr. Parsons' endorsement for the C.M.A., even though the Hon. Mr. Robertson is one of the most highly regarded members of the Cabinet, in fact, has shown him-

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CABINET-MAKING IS NOW ORDER OF DAY AT OTTAWA

Interesting Gossip as to Why White Dropped Out

OTHERS ARE GOING

Carvell on Way Out and Maclean Also Weakening—Flavelle Would Make Efficient Minister of Trade

By Resident Representative.

OTTAWA.—Cabinet reconstruction is on in earnest, and much sooner than expected. In this correspondence some weeks ago, or about the time of Sir Robert Borden's return from the peace conference, it was mentioned that Sir Thomas White would either remain in the cabinet as premier, or not at all. He had had a taste of the leadership, and liked it; and, what is more, was liked by those whom he led. It was then thought that Sir Robert Borden was on the eve of retiring to accept one of several positions with which his name had been persistently connected; in fact he had told more than one Canadian who met him in France that such was his intention; he had tired of the strain of Canadian politics and was willing to let some one else take the helm.

What arose since to change his mind on that subject, and hasten his departure for home, is not known. Probably the intentions of Sir Thomas White had a good deal to do with it. What those intentions were we can only speculate. Sir Thomas state during the present week that such personal speculations on the part of the press were unfair. He also made the statement that he had been adhering to the rule of not being interviewed. He thus closes all doors to the news-writer, which is itself hardly a fair position for an old newspaperman to take.

It is generally assumed that, had he been able to remain as premier, the late minister of finance would have endured for some time longer the un-

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FINANCING EXPORT TRADE A PROBLEM OF THE INVESTOR

Matter Out of Hands of the Government in the States

EXPORTS AND PRICES

World Shortage of Many Essential Commodities and Materials — Export Therefore Means Rising Values

The problem of financing foreign trade is having much attention in the United States and the steps being taken there are of first interest in Canada in view of the similar conditions prevailing. Lloyd Harris, after thoroughly investigating the situation in Europe, has advised that manufacturers, financiers and bankers combine to make their own financial arrangements rather than depend upon the Government. Likewise, in the States, according to the Federal Reserve Board in its Review for June, oversight and direction of export financing has passed from the hands of the Government to those of private interests by whom it must be carried forward. The board characterizes the matter as an investment rather than a banking problem, saying:

"While the working out and application of financing the plans which are called for in connection with our export business is thus a matter to be disposed of by bankers and business men at their own risk, under such terms and conditions as are desired through negotiations with foreign buyers and consumers, the volume and direction of our export trade is essentially a question in which the American consumer, as well as the local producer and distributor, is vitally interested. As domestic business has resumed its activity and vitality, it has become more and more apparent that the supply of commodities available to the home consumer is becoming relatively reduced as compared with the demand for them. Already a tendency to advance in price is obvious, and it is clear that in some cases what is exported will constitute a deduction from the total needed supply, which will leave the buyer with inadequate means of meeting his requirements. Excessive shipments of goods, therefore, signify, even when buyers abroad are solvent and able to repay the advances thus made to them at some reasonable date in the future, a deduction from home consumption, which will leave the consumer in the United States in a less favorable position than he would otherwise have been. The value of our present excess of exports, announced as $277,000,000 for May, is still the outgrowth of war conditions, and the abnormal situation which has succeeded them."

Export Situation Still Abnormal

After calling attention to the recommendation to Congress already announced some time ago, whereby banks would be permitted to invest 5 per cent. of their capital and surplus in the securities of export corporations, the board once more notes that the purpose of this provision is not primarily that of obtaining funds, but is merely that of affording an example to private investors. The review of the month then passes to a discussion of the extent to which investors should commit their resources to the financing of the foreign trade and says:

With the determination on the part of the Government that it will not continue the large participation in export trade financing undertaken during the war, but will leave this field to be developed by private enterprise, our export operations will henceforward call for the assumption of full responsibility on the part of financiers and business men who must recognize that the war period in our foreign business has ended. The war period in exportation comes to a close when Government support of foreign trade is removed and when business is left to maintain itself upon its own basis. That such should be the course of development from now on has for some time past been the view of the financial authorities of the Government, a view in which the Federal Reserve Board freely concurs, as indicated by the decision reached at the conferences held during the past month. The view of the board is that the matter of providing long-term advances for Europe presents an investment rather than a banking proposition; that the necessary funds must therefore come from the investment market. The question how to obtain these funds through an appeal to investors is, therefore, the immediate and practical problem of the moment in connection with the financing of the business."

Effect on Prices

As to the effect of the large exports upon prices the review notes that:

"The export situation is possibly of most direct importance to the domestic consumer in a way that is very frequently overlooked. This is in connection with prices. There is a shortage of many essential materials and commodities in the world at large. Increased credit demand for goods for export necessarily implies relatively decreased supply of goods for domestic use. Demand and supply are automatically equalized by changes in price, but such changes in price are in the circumstances here under consideration, necessarily upward. The domestic consumer, therefore, who is asked to finance export trade, should remember that the outstanding effect of such financing upon too great a scale would necessarily be the exaggeration of the prices which he himself must pay for the things he needs."

STORES NOT PROFITEERS

Big London Establishments Have Operated Efficiently

LONDON.—To the general sense of fairness with which controlled commodities have been distributed is attributed by the "Economist" the great success of the large London stores during the past four years of Government control and restrictions. It quotes the statement of Gordon Selfridge at the annual meeting of Selfridge's that "its returns are, of course, much greater than ever before, and its profits also are somewhat higher than those of the last year. Its percentage of gross profits, however, is decidely less than previously, showing that this house at least has not taken advantage of an advancing market to get a higher gross profit."

These remarks, says the "Economist," apply equally to other great utility stores. Continuing, it says:

"This is the healthy competition which is so needful to reduce prices, and when the last requiem has been uttered over the grave of Government control, if we do not then obtain more for our money we shall at least have the satisfaction that we are buying in a free and open market, without the additional costs of supporting an army of bureaucrats.

"The threatened restrictions on the traffic in luxuries by taxation evidently weighed lightly on the shoulders of many people, to judge by the results of those shops which owe their well-being to the vanity and foibles of a portion of the female population."

THE ONTARIO STRIKE HELPS QUEBEC FIRMS

Business That Cannot be Handled by Old Makers Going to Strange Shops

That the strike of the metal trades in this district is a good thing for the shops of Quebec is becoming quite evident. The class of work covers a variety of lines, but mostly where castings had to be secured in order that the rest of the work might be gone on with. There is not much difficulty, according to manufacturers, in securing machinists to take the place of strikers, but the situation is different in the moulding shops.

Patterns from several Ontario firms are now in the Quebec shops, and shipments are coming through. There was some trouble at the outset, owing to the work being strange, and in a few cases a man had to go down to Quebec to see that the work was started right. The price compares very favorably with what has been paid here, even allowing for the added transportation charges.

One Ontario contract on Government work that came up a few weeks ago, and tenders for which are placed this week, called for chains and anchors. Bids were asked from Old Country firms by their Toronto agents, but there is very little chance of them securing the business. In the first place they are high in price, and in the second place they will not place their tenders as they are asked, in order that comparisons may be made with bids from the States. "There were too many qualifying clauses in the English tender," stated the Canadian firm handling this line. "They had provisions that meant that their price was off if changes were made in hours of work or half a dozen other things. In fact their bid was not definite enough to put in. Then again, the English concerns insist on putting their bids their own way. They lump the chains and anchor, and put in a price to cover the whole equipment, whereas the firms buying in this country ask for and insist upon a price per pound for anchor. The Old Country houses will simply let us go by the board rather than make the concession."

It is understood that the British firms are still quoting about ten per cent. too high, and in consequence, the business, or all of it that does not specify Old Country lines, is going to U. S. points.

EMPLOYMENT MANAGEMENT

Short Course Being Offered by University of Toronto

The Department of Social Service of the University of Toronto is offering a short course on Employment Management to be given during the month of September. The course will last from three to four weeks. Instruction will be given daily, one hour being devoted to each of the three main divisions into which the course falls. These are:

1. Personnel Management: Principles and Practice; including methods of securing, selecting, promoting and transferring employees, trade tests and rating scales, job analysis and personnel specifications, organization and work of a personnel office, labor turnover and its reduction, etc.
2. Industrial Psychology: The application to business of modern psychology, ways of learning and of teaching business processes, intelligence tests ad their application to industry, influences making for harmony or disharmony, co-operative or antagonism within industry, etc.
3. Economic Principles and Methods involved in (1) and (2). Causes which have brought about the present economic situation, wage determination, (various plans), labor problems and proposed solutions, labor organizations, labor laws, etc.

CANADIAN SHIPS ARE REGISTERED IN GREAT BRITAIN

Dominion Coal Vessels Are Under British Control

HANDLING THE TROOPS

Some Explanation of the Relations of Canada and Mother Country in Regard to Use of Ocean Tonnage

By Special Representative

OTTAWA.—Some days ago Senator Nichols called attention in the Senate to what he termed the disadvantage under which Canada is laboring owing to the failure of the British Shipping Controller to release Canadian tonnage which he had requisitioned during the war, and asked what steps the Government is taking to remedy the matter. He said the British Shipping Board had exercised its powers in a way very prejudicial to Canadians instancing the fact that, owing to 78,000 tons having been taken from the Dominion Coal Company, freight on coal from Sydney to Montreal had increased 600 per cent. This reduced the coal shipments from Nova Scotia from 2,000,000 tons per annum to 100,000 tons, throwing the trade into the hands of the United States, increasing the cost to the consumer and involving an export of gold to pay for the coal purchased abroad of $20,000,000 a year. It entailed a loss of royalties to Nova Scotia of $100,000, rendering necessary increased loans and taxation. The 6,000 coal miners who went to the war are returning but find no work.

Senator Nicholls' speech seems to have stirred up the Government, and on July 1st the Premier read a rather unintelligible cable from Lord Milner, in which he quoted a statement from the Shipping Controller which seemed to disavow responsibility, leaving the matter between the owners and charterers. Of the five vessels in which the Dominion Coal Company were interested, he said, three were already released from requisition and the remaining two would be offered release as soon as present cargoes were discharged. Sir Robert Borden's comment on the cable was not very illuminating, as he merely repeated the fact that sending the ships to distant ports prevented their use in the coal trade.

As to Responsidility

The Department of Marine points out that no Canadian ships are involved at all. All ships of Canadian registry requisitioned during the war were requisitioned, with the exception of two in the very early days of the war, by the Canadian Government, and not by the British Government. Within a month of the armistice, all vessels of Canadian registry were released from requisition. The ships referred to by Senator Nicholls were under registry in the United Kingdom and in no sense subject to the jurisdiction of the Canadian authorities. It is realized that the Dominion Coal Company has suffered severely by vessels being detained and the Canadian Government has made repeated representations to the British Government of the necessity of returning the ships without delay; but inasmuch as they are registered and controlled in Great Britain they are entirely subject to the direction and control of the British authorities.

There is another side to the question which the Government feels should not be lost sight of. Every soldier sent overseas by Canada was transported in vessels registered in the United Kingdom and under the direction of the British Government. This is true also of practically all supplies sent for maintaining our army over there. For the purpose of meeting emergencies which arose from time to time a few vessels of Canadian registry were on the request of the British Government requisitioned by the Canadian Government; but the tonnage was small as compared with the volume of British tonnage requisitioned and allocated exclusively to war service. The British Government has undertaken to pay for all tonnage of Canadian registry requisitioned for war purposes.

Bringing Soldieds Back

The return of Canadian soldiers since the armistice has been done without the assistance of one ton of Canadian shipping except one voyage made by the Empress of Asia direct to Vancouver via Panama Canal. The large tonnage allocated by the British Government for the transporting of Canadian soldiers to Canadian ports is being fully occupied on return voyages by Canadian products. To disabuse the mind of those who think discrimination has been practised, it is pointed out that during May, 421,402 tons of freight were shipped from Canadian ports in ships under the direction and control of the British Government; while 76,985 tons originating in Canada were shipped through Portland. In May last year 311,705 tons were shipped through Canadian ports in British registered ships. The above represent the average shipments in this way during the past two years.

The Government's contention is that every ton of Canadian shipping was released by the Canadian Government as soon after the war as was possible. The Department of Marine cabled the Canadian High Commissioner on November 21st to advise the Ministry of Shipping that all ships of Canadian registry then under requisition were being released, and they were released from time to time as the voyages on which they had embarked before the date of the armistice were completed. It is pointed out that just before the war British sea going tonnage of 500 and over amounted to 18,500,000 tons. At the time of the armistice it was reduced to 15,000,000. World tonnage has been reduced from 40,000,000 to 36,500,000 millions. United States tonnage has gone up from 1,750,000 to 6,500,000 millions.

It is felt here now that, while there is some suspicion that the Dominion Coal ships have not been dealt with as fairly as they might have been they will not be further detained as far as the Shipping Controller is concerned. The proposal has been made that we should advocate an embargo on food-stuffs against Great Britain, but it has not met with acceptance. The Government would hesitate to begin what would be construed as an unfriendly act; and the millers and the West would never stand it.

PUBLICITY AND ORIENTAL TRADE

Charles S. Meek, Back From China, Talks of Export Prospects

VANCOUVER. — "Canadian firms who want to sell goods in China must give China what she wants, not what we want to give her," said Charles S. Meek of Charles S. Meek & Company, Ltd., Vancouver, on his return from a three months' tour of the Orient, made especially to size up trade possibilities. Mr. Meek says he was never more impressed in his life than when he say the big possibilities the East offers for trade, and si close to Vancouver.

Mr. Meek deplored the fact that so many Canadian firms are endeavoring to break into Chinese markets through United States agents. "The people of the great centres across the Pacific do not know there is a Canada, or if they do, they attach about as much importance to it as we do to the area within the Arctic circle," said Mr. Meek. "Canada is part of the United States when you come to talk to the man in the street, and the reason is that for every trade advocate Canada has in the Orient there are thousands of men whose business houses are located in the United States. Now is the time for the Canadian to sell his goods in China. China is a logical market and now is the time for Canada to mould her Pacific trade."

Mr. Meek expressed regret that the Canadian Trade Commissioner is located in a little office in an out-of-the-way place. This is especially regrettable, he said, because the British Commercial attache and his staff has done much to establish a bond of confidence between the British and Chinese in all commercial dealings and is anxious to foster trade within the Empire. Canada could benefit greatly by the pioneering of the British authorities, in Mr. Meek's opinion. He states that he was one of the first Canadian general export men to visit many centres, and that merchants when they knew why he was there came in numbers to talk with him about handling Canadian goods.

Mr. Meek also visited Japan, Korea and the Philippines, and was a short time at Vladivostok. He looks for no important trade developments with Japan and Canada, but says Japan is buying great quantities of machinery in various markets, and will in a short time endeavor to flood China and other markets with her goods. He declared that Japanese atrocities in Korea were equal to those perpetrated in Alsace-Lorraine and Belgium by the Germans.

RAILROAD EARNINGS

Two Companies Show Falling Off During Last Week of June

Gross receipts of the three Canadian railroads for the last nine days of June totalled $7,196,724, as compared with $7,485,113 for the corresponding period in the previous year, a decrease of $288,389 or 3.8 per cent. As will be seen from the following comparative figures, both the Canadian National Railways and the Grand Trunk show a falling off.

	1919	1918	Changes	%
C.P.R.	$3,977,000	$3,419,000	+$558,000	16.3
C.N.R.	1,731,043	2,294,271	— 563,228	24.5
G.T.R.	1,448,681	1,771,842	— 283,161	15.9
	$7,196,724	$7,485,113	—$288,389	3.8

BIG FINANCIAL CONCERNS SHOULD CARRY FARMERS

Leniency to Borrowers Suffering a Failure of Crops

IS GOOD BUSINESS

Loan Companies and Banks Do Not Want to Take Over Farms, But to Ensure Return of Capital

The failure of the wheat crop in some sections of Western Canada is being accompanied by the annual agitation against the loan companies and the banks that something should be done to prevent them stepping in to enforce settlement of outstanding obligations. The fact that action is being taken in this direction, almost before the reports of failure have reached the heads of the institutions referred to, seems to indicate that those concerned are crying before they are hurt, and have adopted the strategic policy that the most effective defense is attack.

At Swift Current, Sask., the matter has already been taken up in a public way, and the Herald reports a meeting of the Retail Merchants' Association at which a resolution was passed and forwarded to the provincial government praying that ample protection against foreclosure, etc., be provided to farmers suffering a failure.

While there can be no doubt that the crop situation is a very unsatisfactory one from the standpoint of the mortgage companies and the banks, THE FINANCIAL POST believes that there will not be, and should not be any departure from the policy that has been pursued in the past—that is to extend every possible assistance to the farmer to carry on for another year. That is the only sensible course for them to take. Most of these loans are comparatively small and a foreclosure would mean taking over the property. Banks and mortgage companies take such action with reluctance. They are not farmers. They want their money back—not the security. Their sensible business plan, therefore, is to make a further advance to carry the borrower along for another year.

There will, of course, be a few exceptions to the rule. In some localities this will be the third successive failure and some of the borrowers are now in beyond their depth. However, this alone should not be the deciding factor if the borrower himself has a good record. When a borrower has shown a disposition to shirk his responsibility the company or the bank may consider that it has gone its limit and that further credit cannot be extended. The lender, as a rule, wants back the money rather than take over the security, and it is seldom that it is advisable to take the second course.

Generally speaking, the loan companies and the banks are in a position to face the situation with confidence, and to give assurance of every reasonable concession to borrowers. While there have been bad conditions in some localities for two or three years, conditions throughout agricultural Canada generally, have been very prosperous during the period of the war, with the result that in many of borrowing, while payments have sections there has been a curtailment been well met and many mortgages wiped off. They have the funds to lend and they will do so when anything like reasonable security is offered.

ORIGIN OF EXPRESS

Formation of First Company Was an Accident

A backward glance to the days of the first express company shows that the formation of the original company was really something of an accident. When the stage went out of existence and the railway came in, the stage driver was doomed, and many were given places as conductors on the trains. As the stage driver had been the distributor of valuables, so, in his new capacity of conductor, he carried on the same business. Whether or no W. F. Harrenden had been a stage driver is not determinable, but at all events he was the first to organize an express company, following service as a conductor in New England. From the modest carrying of a carpet bag, in which he placed his parcels, he rose to the point of announcing the formation of an express company to be known as Harrenden's Express. He signed a contract with a road running from Boston to Fall River, and also another with a shipping line from Fall River to New York. The carpet bag was replaced with trunks, and the first express company became an established fact in 1839. It was from this simple beginning that there arose the express transportation of to-day, with a business amounting to more than $200,000,000 during last year.

FOREIGN CREDIT BUREAU

American Exporters Will Exchange Trade Expenses

NEW YORK.—Convinced that American export trade will expand by the frank, open, reciprocal interchange of experiences in foreign credits, the National Association of Credit Men has inaugurated what is to be known as the Foreign Credit Interchange Bureau. A campaign has just been launched to secure 300 members for the new institute, which will be a mutual organization. Supporting the movement are the leading exporters in the United States, says a statement issued here last night by J. H. Tregoe, secretary-treasurer of the National Association of Credit Men.

NEW SHIPPING COMPANIES

NEW YORK.—Twenty-one new shipping companies were organized during June, with an aggregate authorized capitalization of $55,550,000, the largest indicated investment for any single month since June, 1917. The total is more than three times as great as that for May of this year, when 17,200,000 was the figure recorded in the organization of twenty concerns.

SUPPLY AND DEMAND RULE SHIP RATES

Robert Dollar Foresees Keen Competition on the Pacific Ocean

OTTAWA.—The proposal has been made that in connection with the Canadian merchant fleet fixed freight rates should be established and maintained. The difficulty in such a proposal would be to getting other nations to agree to adopt the same course, which is regarded as impossible. The matter is regulated by supply and demand. Of this question, Robert Dollar says: "The Lord fixed the question of supply and demand ages ago. Unless you can get him to change that law, it is only wasting time trying to fix rates."

Ships in foreign commerce follow the laws of least resistance. Rates now are higher on the Atalntic than on the Pacific, and as a consequence we are seeing many ships coming to the Atlantic from the Pacific and tending to equalize the rates. At present there are more cargoes than ships; but at the present rate of building it is possible that the year 1921 will see the position reversed. There will be a big drop in freights and then will come the struggle, the result being the survival of the fittest. Canadian ships would be handicapped by rate fixing.

Robert Dollar thinks the struggle on the Pacific will be begun by the Japs. It is likely it will be a big factor in the Atlantic trade also. The following wage table showing the wages now being paid on Japanese and United States ships respectively is somewhat startling.

Figures for ships of about 8,800 tons, both coal burners.

Engineers—		Japan		U.S.
Master	1	$100.00	1	$250.00
1st Officer	1	45.00	1	150.00
2nd Officer	1	32.50	1	135.00
3rd Officer	1	27.50	1	120.00
Carpenter	1	17.00	1	90.00
Boatswain	1	17.00	1	85.00
Able seamen	6	54.00	6	450.00
Quartermasters	4	60.00	..	.....
Seamen	..	.....	2	110.00
Boys	..	.....	2	80.00
Storekeeper	1	12.00	..	.....
	17	$365.00	16	$1470.00
Engineers—				
Chief	1	90.00	1	185.00
Second	1	45.00	1	150.00
Third	1	32.50	1	135.00
Fourth	1	27.50	1	120.00
Deck Engineer	..	.....	1	85.00
Oilers	..	.....	3	240.00
Storekeeper	..	.....	1	80.00
Firemen	9	97.50	9	675.00
Coal Passers	3	24.00	6	390.00
Donkeymen	1	10.00	..	.....
Stewards—				
Chief	1	17.00	1	120.00
Chief Cook	1	15.00	1	100.00
Second Cook	1	15.00	1	90.00
Cook's Mate	..	.....	1	60.00
Messmen	3	24.00	4	240.00
	40	$764.50	48	$4140.00

B. C. CANNERS NEGLECTED

No Effort Made to Dispose of "Chum" Salmon Surplus

By Special Representative

VANCOUVER.—The failure of the Canadian Trade Commission to place orders for salmon with British Columbia canners has created a feeling of dissatisfaction and disappointment among West Coast cannery-men and in business circles. Out of a total credit of almost $16,000,000 placed with European countries by the Canadian Government, B.C. producers received only $7536.

When the American Government established a large credit with Italy, it is recalled, it was insisted that Italian purchasers should place their salmon orders entirely with American canners. Similar action by the Canadian Government on this occasion, business men say, would have done much to solve the question of what B.C. is to do with its large supply of chum salmon.

THOMAS FINDLEY EXPLAINS TARIFF TO THE FARMERS

Head of Massey - Harris Attends U.F.O. Picnic at Goderich

CHEAP IMPLEMENTS

Prices Have Been Lower During Past Thirty-Five Years Than if There Had Never Been a Tariff

THE FINANCIAL POST has long been urging upon manufacturers and the Canadian Manufacturers' Association the necessity of getting closer to the farmers in the discussion of tariff and other problems. This attitude has been supported by the conviction that the farmers would, if the case for industry was properly placed before them, take a broader view of the matter. Thomas Findley, president of the Massey-Harris Company, and one of the most progressive of Canada's industrial executives, evidently holds similar convictions as indicated by the fact of his address before the farmers of Huron County, at their U. F. O. annual picnic, held near Goderich. Mr. Findley spoke in part as follows:

I do not hold any brief for high protection. I never did. Shortly my position is this; we have got to have revenue and in my belief the easiest way to get the great bulk of our revenue is through the customs tariff, and that, of course, means giving protection to a certain extent to any industry natural to the country. In that way reasonable help is afforded to make them successful. I had a letter the other day from a farmer in the West, who wrote me perhaps in regard to my evidence before the commission regarding the tariff. One thing he said was that the tariff is designed to protect individual manufacturers and enable them to become wealthy by robbing the rest of the community. In my reply I said that while there are a lot of debateable things in connection with the tariff, if for my part I thought the tariff was designed to benefit individual manufacturers I would join him very quickly, for I hold as absolutely unreasonable, a tariff intended to protect some men in making money and getting rich who form a small number in the country.

Affects Others

But there are more in my opinion, than this small number who are interested in the tariff. It is not my idea at all that only a small number are interested in maintaining it, and that small number the owners of the manfuacturing industries, all interested in industry.

The people in the towns are interested in these industries, the farmers in the country surrounding the towns are interested in the home markets the towns provide. Large international questions are even involved in it. If I did not think so I tell you I would have no use for the tariff for one moment. I do not at all regard it as a scheme to help individual manufacturers. I speak to you of the tariff on implements. We could not make implements in Canada under free trade but we could make just as much money when we removed our industry to another country. That removal I do not wish to contemplate, because it means the enrichment of another country at the expense of this. As to this the manufacturer also pays duty. But if we were to say on that account we want to go to the other country and ship the finished articles from there, though we should make as much money under free trade in this country, it would mean first putting the industry on the other side of the line. The capital and employment would go out of Canada. That is what is involved by the attack on the tariff on the claim that it affords protection to particular industries.

Says Lost Money

But let us consider the attack as it is made and then we look at the conditions prevailing on both sides of the line. Are you prepared for a free trade country on this side? We have had a high tariff upon implements here, as high as 35 per cent. That accounted for the number who went into the manufacture of binders. There were nineteen different companies making binders in Canada, while at no time were there more than nine companies making binders in the United States. One of the results was that most of the Canadian companies making binders during the last 35 years lost money. Only a few made money. None did except those who had an export business. So far as Ontario is concerned the farmers have had cheaper implements during the past 35 years than they would have had if they never had a tariff and were dependent upon the United States or any other country to get their implements sent in. All over the world implement makers were doing business and it was through no consideration of free trade or protection, but of local competition of the strongest character that the farmers of Ontario got their implements at the prcies prevailing. There were higher prices in Russia, in the Argentine, in Australia. There were very much higher prices in the foreign markets.

Cream Separators

Take another article, cream separators. They were almost free and at the time they were tariff free the 500 pound separator cost $120, which was scandalous. They were so high that other manufacturers went into competition, with the result that the price was cut in two. They have gone back something, owing to conditions of the war, but by normal competition they were cut down in price under practically free trade conditions. In mowers the same kind of competition acts similarly. I might fairly ask you to consider these two articles in judging the natural and inevitable results of keen competition. I am perfectly willing to abide by what the farmers alone think of the way prices rule under free trade and protection with competition if I am sure that the farmers have all the facts before they decide.

BIG BUSINESS BACKS LEAGUE OF NATIONS

Interesting Debate in U.S. Senate on Statement of Senator Borah

WASHINGTON.—Is a great combination of "big business" in America behind the League of Nations, supporting it because putting the league into effect would effectively secure and practically underwrite their financial ventures in Europe and elsewhere throughout the world? This charge was made from the Senate floor by Senator Borah. Senator Knox interposed to say that he had received the same sort of information, and that he had learned that legislation has been drafted which contemplated the formation of a great corporation to handle the international business of the reconstruction era. Senator Borah declared:

> "We who have been opposed to the League of Nations are unanimous for making it a party issue by these organizations that are conducting the propaganda in its behalf and I learn from its own bulletin on the subject that this organization, the League to Enforce Peace, gets three-fourths of its support from Wall Street and interests associated with Wall Street. For the bulletin which I have tells us that the opposition is restricted to small business men whose horizon is restricted to their own front door. Three-fourths of its support comes from business men of large affairs."

Senator Hitchcock denied that the league support came from Wall Street and said he would put in the facts which showed that only one name given in the bulletin was that of a Wall Street man and that there was nothing whatever to sustain the charge that three-fourths of the money came from Wall Street.

From the statement of the League to Enforce Peace, he read the names of some of its prominent supporters, insisting while they were men of great prominence in business they are not generally of the type referred to as "big business." Among the names he read were E. A. Filene, a Boston merchant; Charles M. Schwab, who Mr. Hitchcock described as "perhaps of the type we include as representative of "big business"; Dwight W. Morrow, George Eastman, head of the Eastman Kodak Company; Samuel Fels of Philadelphia, a soap manufacturer; William L. Douglas, a shoe manufacturer; Charles E. Hires, root beer manufacturer; H. J. Heinz of "57" varieties—all of these, Mr. Hitchcock said, business men widely known, are contributors to the league because they believe it would add something to the prosperity of the country.

OKANAGAN HYDRO PROJECT

Electrification of C.N.R. Kamloops-Kelowna Line Part of Project

VANCOUVER.—An energetic effort is being made by citizens of the Salmon Arm district of British Columbia to establish a hydro-electric system for the Okanagan Valley, reaching as far south as Kelowna, there to touch the West Kootenay Light and Power Company, which is running a line to Princeton and Copper Mountain for mining interests. The idea behind the promoters of the scheme is to bring about the electrification of the new C.N.R. Kamloops-Kelowna line as well as provide for power and light service for the entire valley. At the southern end of the district are the powdurful Adams River falls, while adjacent to Salmon Arm are the Shuswap Lakes, where 120,000 horse-power is available for development. At an early date it is planned to call a convention of the various municipalities interested.

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These Questions Affect YOU Can You Answer Them?

1. Will the ending of the war help or hurt the price of such stocks as Baldwin, Bethlehem Steel, Midvale, etc.?
2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

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THE INVESTMENT WEEKLY
42 BROADWAY NEW YORK

MARKETS STILL SHOW MUCH LIFE AND STRENGTH

Speculative Issues Are Holding the Centre of Interest

MINES ARE DULL

New York Market Being Carried Forward by Participation of the General Public in the Movement

Canadian markets maintain their show of strength and activity despite the fact that the holiday season is now here and a slowing down of business might reasonably be expected. Trading on both the Montreal and Toronto exchanges is brisk, and speculative favorites continue to advance. There is still a steady flow of investment buying, but this is largely confined to issues, which have an assured position. For the present, speculative stocks hold the centre of interest, attracting many buyers who are eager to be in on an advancing market.

There has been some selling of Victory bonds, which, coupled with an absence of demand, has occasioned further price reactions. The cause of the present weakness is largely attributable to the effect of the floating of the external loan, but this effect is being gradually overcome, and yesterday prices were stronger again, with prospects of continued improvement. The bond market generally is weaker as a result of Government financing and prices are softer.

Mines Irregular

The mining market has been irregular and quiet. Quotations on the whole are about the same as a week ago, with little immediate evidence of any pronounced movement. The labor situation in the mining camps is uncertain. At Kirkland Lake a deadlock has been reached, while at the other camps uneasiness continues. Until this situation is adjusted it is improbable that there will be much show of life in the market.

In the meantime general business throughout Canada is good, the only complaint being the difficulty of getting goods. This runs right back to the supply of raw materials, which through shortage of shipping and other delays, are not reaching manufacturers in sufficient quantities to enable them to meet the demand for the finished product. With building steadily improving, there is developing a large demand for materials, which gives promise of giving employment at good wages to many people.

The New York Market

In New York the feeling is still distinctly bullish. The public have a great deal of money and they are reported to be running away with the market. Professional traders have no recourse but to follow along in the wake of the crowd. Just how long the movement will last evidently depends on the length of time public enthusiasm continues. Market letters practically regard the outlook with optimism.

CHANGES DURING THE WEEK

	Last July 3	Sales July 10	Ch'ge.
Ames-Holden, com.	47	49½	+ 2½
Do. pref.	94	96	+ 2
Asbestos, com.	74	72¼	— 1¾
Do., pref.	88¾	84	+ ¼
B.C. Fish., com.	63	55¼	+ 2¼
Can. Bread, pref.	82	81	— 1
Can. Cement, com.	68	70	+ 2
Do., pref.	101	101	....
Can. Car., com.	39	41½	+ 2½
Do., pref.	96	98	+ 2
Can. Converters	56¼	58½	+ 2¼
Can. Cottons, com.	78½	83	+ 4½
Can. Foundries, com.	193	204	+11
Can. Locomo., com.	76½	82	+ 5½
Can. Gen. Elec., com.	112	111	— 1
Cons. Smelters	30½	31	+ ½
Dom. Canners, com.	52	56½	+ 4½
Dom. Coal, pref.	*100	98	— 2
Dom. Textile, com.	114	117	+ 3
Do., pref.	102¼	105	+ 2¾
Lake of Woods, com.	175	178	+ 3
Lyall Cons.	80½	82½	+ 2
Maple Leaf, com.	164	172½	+ 8½
Do., pref.	106½	105	— 1½
Montreal Cottons, com.	68	70	+ 2
N.S. Steel, com.	81½	87	+ 5½
Ont. Steel Prod., com.	35¼	34	— 1¼
Do., pref.	*75	77	+ 2
Penmans, com.	*93½	95¼	+ 1¾
Saw.-Massey, com.	16	21	+ 5
Do., pref.	*55	60	+ 5
Steel of Can., com.	74¼	72½	— 1¾
Tooke, com.	42	45½	+ 3½
Do., pref.	86½	88	+ 1½
Tuckett Tob., com.	35	45	+10
Do., pref.	88	89	+ 1
Atlantic Sugar, pref.	107	114	+ 7
Nat. Breweries, com.	184	183½	— ½
Brompton Pulp	63½	65	+ 1½
Laurentide Paper	220	222	+ 2
Riordon Pulp, com.	132½	142½	+10
Span. River com.	43¼	45¾	+2½
Do., pref.	106½	107¾	+ 1¼
Wayagamack	47	52¾	+ 5¾
Brazilian	69	59½	+ ½
Can. Steamships, com.	49⅝	[illegible]	+ 1⅛
Toronto Rly.	48	50½	+ 2½

*Last previous sale.

CANADIAN CAR

The market for Canadian Car preferred continued strong this week with sales as high as 100 or the best showing of the year. There was a fairly active demand. The common fluctuated 41 t 43½.

HIGHER FARES AT LONDON

Difficulties Settled by New Agreement With City

The difficulties between the London Street Railway Company and the City in which was involved a wage dispute with the company's employees has been settled through an arrangement for higher fares confirmed by the city council. The company will immediately grant increased wages to the men and improve the service.

Moreover, the company pledges itself to make certain fare reductions for the benefit of those who travel on city or Springbank lines on Sunday. At present five cents straight is charged for Sunday rides in the city. Hereafter the new weekday six-for-a-quarter tickets will be accepted. Now the company sells Sunday Springbank tickets at two for fifteen cents, or four for a quarter. Hereafter the weekday rate of five cents cash will be charged.

GUELPH AND C.P.R. GETTING TOGETHER

Railway Officials Visit the Royal City and Look Over Ground of Proposed Line

Further development of the relations between the City of Guelph and the Canadian Pacific Railway looking to the taking over of the Street Railway system by that company and an extension to provide a connection with the Grand River Electric at Hespeler or the Lake Erie and Northern at Galt (both C.P.R. radials), are indicated by the visit of C.P.R. officials to the Royal City this week. F. R. Wanklyn, assistant to President Beatty, was accompanied by W. K. Kirkwood, manager of the Grand River Railway, and after a meeting with civic officials they were accompanied by Mayor Carter and members of the railways and manufacturers' committee on a visit to Puslinch Lake, where the possibilities of the establishment of a summer resort were considered. The lake would be touched by the extension from Guelph to either Hespeler or Galt. The city controls a charter for a line to the lake and to Hespeler.

Much interest attaches to the situation because, as formerly pointed out in THE FINANCIAL POST, closer relations between the city and the Canadian Pacific would probably mean the dropping out of Guelph from the Beck Hydro radials scheme, a course which Sir Adam has declared would mean the tying-up of the whole project.

TO REGULATE THE NEW YORK CURB

Will Endeavor to Bring Trading to a More Satisfactory Basis

In the belief that because of the large proportion of curb trading done by Stock Exchange members, it is in a position to influence that trading along right lines, the New York Stock Exchange will endeavor to regulate transactions in the out-of-doors market, it was announced on Thursday. As an initial step in that direction, the proposal has been made that members of the Stock Exchange report each day all transactions done by them on the curb to the office of the secretary of the Exchange. There the transactions will be tabulated and made public as soon as possible after the close of business.

Officials of the New York Stock Exchange are of the opinion that 80 per cent. of the business on the curb is done by Stock Exchange members, and that a tabulataed report of their dealings will, therefore, cover the bulk of the trading. Those in control of the curb market disagree with this estimate, maintaining that not more than 60 per cent. of the business is done through Stock Exchange members. Conferences with curb market officials were said to have been held by Stock Exchange interests, indicating a degree of co-operation in the action taken, but this was denied by E. H. McCormack, president of the Curb Association.

There was no attempt to conceal the fact that the step taken by the Stock Exchange authorities came as a surprise to Curb officials. A suggestion which was heard in some quarters was that possibly the move was to counter the decision of the Curb to move indoors, but on this point it was insisted that the effort at regulation would have no effect on the plans now under way. The amount already subscribed to the fund for housing the Curb is $470,000, every member having contributed the allotted amount, except those not in the country now.

TOOKE BROTHERS

The publication of the annual statement of Tooke Brothers was followed by trading interest in the company's securities and an advance in the common to 46 as compared with 20 in March last. The preferred also showed some improvement, selling as high as 88; it was around 70 in February last.

TORONTO RAILWAY STRIKE SETTLEMENT

Market is Strong and Firm Despite the Unfavorable Features

Although the settlement of the Toronto Railway strike cannot be looked upon as favorable to the company, the clearing up of the situation seems to have been desirable from the investment standpoint, the recent advance in the stock being firmly held and, in fact, improved during the week with sales up to 50 and fractionally above.

The men have gone back to work on a basis of wages which embraces practically everything demanded, including 55 cents an hour and an eight-hour day. This was the effect of the award of the Board of Conciliation. The increase will be met by the company, although how this will be worked out has not yet been made clear. All figures indicate that on the basis of the present fares the increase will mean a large deficit. To meet this the only way out would appear to be to borrow, pending the settlement with the city on the expiration of the franchise in 1921.

Any hope that the city would pay the increase out of its share of profits was evidently abandoned, and even the proposal that the city finance the additional expense until the settlement in 1921 went by the board, the directors evidently preferring to work out the problem themselves than to have the city representatives go into the company's financial position and thereby secure information, which might be used to the disadvantage of the company and its shareholders later.

AMES, HOLDEN TIRE COMPANY

Public Offering Made This Week of Million Dollar Issue

As announced last week, there was a public offering made this week of the $1,000,000 issue of bonds of the Ames Holden Tire Company first mortgage sinking fund gold bonds, dated July 1, 1919, and maturing July 1, 1939. The price to the public is 100 and accrued interest, with a bonus of 20% of common stock. Thus, with a bond of $1,000 there would be a bonus of $200 of common stock of the company, of which $2,000,000 will be issued, leaving a balance authorized but unissued in the treasury of $1,000,000. The present value of this common stock has been fixed at $25 a share, for this is the basis for settlement of fractional shares, so that the bonus on the $1,000 bond would amount to $50. The terms are 10% on application and the balance of 90% on allotment. The details of this issue were contained in last week's edition.

WINDSOR CAR TROUBLES

Beck Plans So Far are Proving Successful

Windsor and adjacent points have been suffering the inconvenience of a street car strike because the Sandwich, Windsor and Amherstburg Railway Company declares that increases in wages cannot be granted without a corresponding increase in income, and the by-law providing for higher fares was defeated at the inspiration of Sir Adam Beck.

The situation is that Sir Adam, on behalf of the Hydro Commission, is negotiating to buy the system, which is a subsidiary of the Detroit United. If it can be brought to a low financial state the price he believes will be so much more favorable. He, therefore, successfully urged the ratepayers to refuse a fare increase, using the argument that if such a course were taken it would enhance the value of the franchise.

The proper course would seem to be to decide the value of the system franchise by arbitration, which would not only be fair to the ratepayers but to the investors concerned.

U.S. RUBBER OF CANADA

At a meeting of the incorporators of the United States Rubber Company of Canada, Limited, the following directors were elected: Sir Mortimer Davis, W. A. Eden, Sir Charles Gordon, R. E. Jameson, Lieut.-Col. Herbert Moison, Col. S. P. Colt., J. B. Waddell, C. B. Seger, E. W. Nesbitt, M.P., H. E. Sawyer, V. E. Mitchell, K.C., E. S. Williams, J. N. Gunn.

At an organization meeting of the board, held subsequently, the following officers were elected: C. B. Seger, presidnt; W. A. Edn, vice-president; V. E. Mitchell, general counsel; W. Binmore, secretary-treasurer.

AMERICAN CYANAMID

For the first time this year American Cyanamid common came into the trading this week when several hundred shares changed hands at 38 to 47, the greater portion of the advance being retained. These figures show a considerable rise above the last recorded transactions.

ATLANTIC SUGAR

The strong demand for Atlantic Sugar preferred continued with the price moving as high as 115 and retaining most of the advance. An improvement of 4 to 5 points for the week was indicated.

ANOTHER PULP ISSUE

Million and a Half Whalen Bonds Have Been Underwritten

By Resident Representative.

MONTREAL.—A new issue of pulp and paper bonds will be offered shortly by the Royal Securities Corporation, Montreal, and Peabody, Houghteling & Co.. Chicago. These bond houses have underwritten approximately $1,500,000, six per cent., first mortgage and refunding serial gold bonds of the Whalen Pulp & Paper Mills of British Columbia. The bonds mature serially from 1921 to 1934, and are secured by specific mortgage on properties of the Whalen Company exceeding in value $15,400,000. The issue will provide $1,200,000 working capital for expansion of trade with the American Middle West, the Pacific Coast, Japan, etc.

RECORD YEAR FOR WABASSO COTTONS

Last Year's Profits Will be Far Exceeded—Business to Capacity

By Resident Representative.

MONTREAL. — While the fiscal year of Wabasso Cottons ended with June 30, the annual report will not be ready for a few weeks. THE FINANCIAL POST is informed that this company's statement will indicate very clearly that it has shared in the general prosperity of the textile companies, and that the profits shown last year will be greatly exceeded. Not only so, but the prospects before the company are for an output this new year that will at least equal the record that will be shown for the year that has closed. The company has ahead of it not only a heavy domestic demand, but orders for export that will take care of any available capacity.

The stock is firm around 85 to 86.

There was a flutter on Thursday of this week in the stock of Wayagamack Pulp & Paper Company and eager buying soon brought the price to 53, within two points of the high of a few months ago. There appeared to be some idea that a dividend was forthcoming, but although the prospects before the company for the last months of the year are much brighter, it appears unlikely that any dividend action can be taken for some time.

HOLDERS OF WAR BONDS CRITICIZED

War Veterans Would Make All Holders of Over $10,000 Liable to Taxation

By Special Representative

VANCOUVER.—During the sessions of the Great War Veterans' Dominion convention which have been held in Vancouver last week, considerable discussion arose over a proposal to request the government to render liable to taxation all holders of Victory Loan bonds in excess of $10.000. Opposition came from many, who said that the government should not now be asked to repudiate its contract to the bond buyers. Delegate Batsford of Winnipeg, said that during the past five years huge profits had been made by profiteers and that these huge interests had acquired government bonds in order to escape the income tax. He argued that all individuals holding over $10,000 worth should be subject to income taxes, and that there should be a steeply graded income tax in this country in addition to inheritance and estate duties, similar to those in vogue in the Old Country.

Instances were known in financial circles, he said, where great fortunes had been sunk in government bonds, one individual in Montreal having the sum of $4.000,000 in such securities, which were supposed to be highly patriotic investments.

"The profiteers and all other big financiers have bought these bonds to hide their incomes from taxation," declared delegate Calder of Montreal. "They are therefore, in the same position as the draftees who hid in the woods to avoid military service. If necessary, the government should disregard contracts with these people." The suggestion of delegate Batsford was adopted after a hot debate.

CANADIAN LOCOMOTIVE.

Locomotive common came in for more attention again during the week with the price moving up from around 76 to as high as 83, the best price of the recent movement. The preferred was steady at 94 to 95.

MAPLE LEAF MILLING

There was a strong demand for Maple Leaf common this week with a new high record scored at 175¾ after an advance of about 9 points as compared with a week previous. There is nothing in the immediate news to explain the advance, curtailed operations being the outlook for the near future. Moreover, there was a revival of some of the rumors as to the company's dividend policy.

CANADA CEMENT

There was a strong market for Canada Cement this week with sales as high as 71 or the best showing of the present year. The preferred was steady around 101 and 101½.

LAW AND JUSTICE "NOT SYNONYMOUS"

Judge Crane Addresses the Albany Law School Seniors

ALBANY.—Paternal governments have never thrived, and the law cannot make men good who are determined to be bad, Judge Frederick E. Crane of the Court of Appeals told members of the graduating class of the Albany Law School. Judge Crane declared that the one big thought he wanted to leave with the members of the graduating class was that "to be better off is not to be better," and he warned against too rapid changes in the laws of the land.

The law has its place and purpose in the world, but for you it can never be final," said Judge Crane. "At best it is but the means provided by Government ment for preserving the peace, securing property and keeping a community reasonably clean and wholesome.

Many people to-day have a very strange idea of the law and the courts. we can force men to be kind and generous. History is full of tragic failures resulting from such ideas. Paternal governments have never thrived. A man who is not better than the law allows is a danger to society, for we do not look to the civil code or the court decisions for our morals.

We frequently hear that the law is unjust. So it is in many instances, for law and justice are not synonymous. The law looks to the good of the people as a whole, and in so doing injustice is sometimes done the individual.

Law and justice, as we understand the words, never can be the same. When justice has no wider, broader, deeper significance than the law of the land the land will be an undesirable place to live in. The law does not always intend to meet the common notions of justice. It does change and move; it advances like other sciences, but much slower.

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LARGER STEEL TONNAGE NOW BEING PLACED

Buyers Taking on Material in a More Liberal Manner

PRICES ARE FIRM

Manufacturers Take Attitude That There is More Likely to be an Advance Than a Decline

By A. R. KENNEDY
Editor "Canadian Machinery"

Reports of larger tonnage being sold in Canada are beginning to be passed around in the steel trade. The only drawback is that much of the selling is localized. The firms that are buying are taking on material in a very liberal manner. They are mostly engaged on government work, and the contracts they have will run on for some time to come. Warehouses are also coming into the market in a more decided way, and are placing orders that will look after their business for the next quarter. They believe that in this way they will protect themselves against any increase in price. As far as a drop in values is concerned, they do not believe that such a thing is going to take place. In fact, one of the manufacturers, using steel as his raw product, intimated to the FINANCIAL POST this week that "the buyer who puts off in hopes of lower prices is going to get left."

There is no longer any thought of lower prices in the trade. This was shown by the fact that a number of consumers and jobbers are willing to cover for the third quarter and in some cases for the last half of the year. Mail orders received and sent to the mills, as well as specifications, so far this month have shown a marked increase over May.

Conditions are rapidly shaping themselves for an active iron and steel market in the latter part of the year, probably to start early in September. Some leaders in the trade are predicting 80% to 90% operation by the steel mills in September. In the Pittsburgh district at present, steel mills are operating on a 75% basis, with several of the large steel concerns operating at close to 82%.

Production of U. S. Mills

And this brings to mind the question as to what is the capacity production of U. S. mills. Reports are made out on the tonnage of ingots produced, but the ingot is not sold to the buyers of steel. The demand is for finished steel products, in the various forms of bars, shapes, plates, sheets, wire, etc., produced from ingots through the various finishing processes. It is practically certain that the capacity for producing steel ingots is in excess of the absorbing power of the various finishing departments, this arising from the fact that during the war many additional open hearth furnaces had to be built to produce ingots, on account of the heavy demand for shell steel, which was not rolled through any of the regular finishing channels. The result is an unbalanced industry. In ordinary times the total of finishing capacity has exceeded the ability of the steel departments to produce the raw steel, an excess being necessary because in one year the demand might run more heavily to certain products, and in another year it might run more heavily to others. Steel ingot capacity increased from 35,000,000 tons a year in 1914 to 49,000,000 tons at the present time, or 40 per cent., whereas outside the building of many plate mills there was but little increase in steel finishing capacity. While it is very difficult to estimate, it is probable that the various finishing departments, excepting the rail and plate mills, would probably be filled up solidly before the requirements in ingots ran beyond 85 or 90 per cent. of the capacity.

FOUNDRIES AND FORGINGS

A large block of Canada Foundries & Forgings has changed hands during the last few days. An advance of some 8 or 9 points has been made. The last previous sales of any size at all were made about the middle of February. The best point made this week was 208. In 1915 the high point was 243, and in 1916 it came down a little to 227. Since that time there has been nothing better than the present showing.

CANADIAN PACIFIC

The market for Canadian Pacific has attracted considerable attention of late. After having been in disfavor for some time a strong demand made its appearance with an advance in the price of about 10 points in New York. The selling has been accompanied by reports that peace would mean the further liquidation of European holdings, but it was not long until definite support made its appearance and a quicker action followed.

B.C. FISHING

The market for B.C. Fishing was stronger in the late trading this week with sales as high as 56¼ compared with 55-55½ last week.

AMES, HOLDEN ADVANCE

Market Hears Several Explanations for the Movement

A new high price of 96¼ had been reached this week by Ames, Holden, McCready preferred. Two theories are behind the steady rise since the slump to 90 that followed the publication of the statement. One is that the new president, T. N. Rieder, has been induced to agree to an early payment of part of the arrears in dividends. The other is that the proposed arrangement by which the United States Rubber Co. was to take over Ames, Holden is still "warm," and that action may be taken along this line in the near future. The common has been holding around 50.

STEAMSHIPS LIKELY TO BEAT LAST YEAR

Tariff Traffic Best in History and Freight Earnings Well Up

By Resident Representative.

A representative of a large Canadian cotton mill on his return to Canada this week told THE FINANCIAL POST that there was no likelihood of keen competition from overseas for a long time. The British mills were not in a position to do much exporting to this country and in any case would give preference to the large markets of India and China, where they have had such a big trade before the war. Their consumption, however, would be far below normal, partly owing to the fact that their own mills had been given up to war work, partly owing to the fact that the builders of textile machinery have had to devote their whole energy to making munitions, and the plants in the textile mills were far below normal conditions in regard to repairs and replacement of machinery. It will take a long time to bring these up to their normal capacity and efficiency. Then there is a question of price which would operate against export to this country, not only the high cost of raw material and the very big increases in wages that are being paid, but the added cost to the raw cotton from the heavy freight charges over to England. This will tend to keep the whole markets for the Canadian mills much to the extent that it has been in the past two years. This with export business that is certain for some time to come means that Canadian textile mills are certain to have all the business they can handle, not only for this year, but probably for the greater part of next.

A rather new condition is likely to be in effect in regard to the export of British goods to some European countries and even in Asia, namely, a return to the old trading or "bartering" system. With credit so low in some countries and exchange so high and the value of local money uncertain, instead of mills dealing directly there is arising a tendency for them to trade with large commission houses, who have connections all over the world and in many cases have their own vessels. These would take the goods from other countries with an exchange value they knew rather than accept the currency of that country.

BLACK LAKE ASBESTOS

Market Has Been Showing Marked Activity Lately

The common and preferred stock of Black Lake Asbestos Corporation has been bought up quietly for several weeks past by Montreal investors. It is reported that quotations will be made shortly on the unlisted department of Montreal Exchange. The story behind the recent rise both in common and preferred stock and bonds is that one of the large steel companies of the United States has been endeavoring to secure the entire output of the Chrome mines of the Black Lake Company. Heretofore the company depended on England for these supplies.

TUCKETT TOBACCO

Tuckett Tobacco common again came into the limelight this week when on a heavy volume of business it ran up to 46½, an advance of better than 10 points for the week's movement. Merger talk again accompanied the activity. The preferred was not affected.

NATIONAL BREWERIES

With National Breweries common high at 194½ at the end of last week it seemed that the top of the remarkable upward movement which started in February last at 15 had been reached. Since then there have been fluctuations and the general level has reached about ten points.

BRAZILIAN TRACTION

Brazilian has been one of the active features of the week with sales running above the 5,000 mark for a day's business. The high point touched was 61 or the best of the current year. There was no particular news regarding the company's affairs and the demand was seemingly the effect of a realization that the financial position has been steadily strengthening.

LITTLE COMPETITION FOR TEXTILE MILLS

British Mills Looking After Domestic Needs and India and China for Long Time

MONTREAL. — The earnings of Canada Steamship Lines will be very favorable for the first six months of the year, THE FINANCIAL POST understands, and those in close touch with the company are feeling confident now that the gross earnings for the year 1919 will slightly surpass those of 1918. This was considered too optimistic a stand to take at the close of the year 1918, as so much of the earnings were due to abnormally high freight rates as a result of the war. However, the company's ships overseas are still in commission and will likely be to the end of November or even into December at the old rates, and while freight rates on the upper lakes will average a little less it is expected that the very heavy tourist traffic will more than compensate for this.

This season, it is learned, will show much larger earnings from the river and lake steamers than ever before in the history of the company. So heavy has been the demand on the boats plying between Toronto and Montreal that an additional steamer, the "Rochester," has been put on the route, and now besides daily trips there are two a day three times a week, where last year business was hardly enough to warrant three trips a week. A new boat has been put on the Montreal-Saguenay route, and all berths are booked for the month of July.

The new freight line of the company between Canada and France is progressing well, and full cargoes are going out each trip. There was a little difficulty about the end of May in arranging for cargoes, but since that time the available space has been filled.

DOMINION CANNERS

Market for Canners common was fairly active this week and developed considerable strength with sales as high as 59 compared with a previous high for the year of 52½. The preferred was steady around 91.

CLEARING UP FOR TEXTILE

Price of Dominion Textile Co. Rises as Strike Nears End

The negotiations between the Dominion Textile Company and its employees, who are out on strike, are progressing favorably, it is understood, and an announcement of the ending of the strike early next week would not come as a surprise. The failure of the strike to spread to the Magog plant is looked on as favorable to the company. It will be remembered that the company offered an increase of ten per cent. in wages, but the employees refused to accept this. Ample orders await the company's operations. The stock has become much firmer the past week, and on Thursday closed at 117½ bid.

FEED SITUATION IS MUCH WORSE THAN LAST YEAR

Continued from page 1.

the north, this amount will not go very far.

The Stock Growers' Association of Pincher Creek has contracted for a number of trainloads of Ontario hay to be delivered over a certain period, The price is not known. This comes oddly from a district which, in 1917, shipped some 300 cars of timothy alone.

Representatives of the railroads and of the Provincial Government have been in consultation here for the past three days and communicating with the Dominion Government with a view to securing somewhat the same terms for moving hay as were provided last year, namely, the Government, and the railroads paying the freight. The Alberta Government has an army of men scouring the country and locating every possible ton of hay. In the meantime many men are getting panicky, and there is a tendency to liquidate stock at anything which can be got. Many of the cattle are thin, and if they come on the market now will have to be sold at canner prices. Many thousands of sheep have been taken up into the forest reserves, but that only provides summer and not winter pasture.

There are many anxious enquiries as to what the Dominion Government are doing as to markets overseas, in France and Belgium, but to these queries there is no reply. One indignant rancher said to-day, "Oh, yes, Hiram Walker can get a boat to ship twelve thousand tons of whisky, but we are told that there is not a foot of space for our cattle."

This rancher had an order from France for ten thousand head of stock cattle last spring and has never been able to secure space or any reasonable rate than $100 per head freight.

GENERAL ELECTRIC PROFITS

Net Showing of $30,000,000 Expected For Year

General Electric's showing in the six months ended June 30, 1919, affords a striking exception to the rule of reduced industrial profits for the period. Despite the falling off in bookings to an annual rate of $170,000,000, against bookings of $234,134,037 in 1918, plants were operated at capacity and billings ran ahead of last year when gross business reached the record aggregate of $216,815,277.

ALABAMA TRACTION

Consolidated income account of the Alabama Traction, Light & Power Co., Ltd., for the year ended Dec. 31, 1918, compares as follows:

	1918	1917	1916
Oper. rev. ..	$3,063,365	$2,154,325	$1,471,433
Rebates, etc..	144,825	162,464	54,415
Oper, exp....	1,417,701	825,474	579,527
Net op. inc.	$1,500,839	$1,166,387	$ 837,191
Other inc....	229,318	54,362	43,413
Gross inc. ...	$1,730,157	$1,220,749	$ 880,604
Inter., etc. ..	*1,633,386	1,199,409	794,896
Surplus	$ 96,770	$ 21,340	$ 85,708

*Includes reserves for amortization of bond discount and expense for depreciation of plant and equipment and for Federal income taxes.

Consolidated balance sheet of Alabama Traction Light & Power Co., Ltd., as of Dec. 31, 1918, shows total assets of $44,610,469, of which $36,277,295 represents properties, plants, franchises, etc. Investments in other companies at cost amount to $1,837,559. Current and working assets, $2,635,652; deferred and other items, $3,869,962. Liabilities include capital stock, $17,975,000; funded debt, $25,025,900; current and accrued liabilities, $894,555; reserves for depreciation, etc., $312,541; surplus amounts to $402,472. Preferred stock dividends accrued and unpaid to December 31, 1918, amounted to $240,000.

Administrator or Executor?

If a man dies without having appointed an executor, the Court appoints an *administrator* to wind up his affairs. The administrator, where no will is left, distributes the estate among the legal heirs. The previous owner's wishes are not consulted.

An *executor* carries out the owner's wishes, but receives no more for his services than the administrator.

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SPITE OF SLUMP BROMPTON HOLDS ITS PROFITS UP

First Half Year Equals Last Second Half Much Better

MAKING 212,000 TONS

Very Large Output to be Increased by Newsprint Machine—Does Not Include United States Profits

A statement issued this week by the Brompton Pulp & Paper Company covering the six months ending April 30th, 1919, shows gross profits of $517,355, or about one-half of the gross profits of $1,051,275 for the full fiscal year of 1918. After deductions of salaries, etc., bond and bank interest, and preferred dividends of $70,000, there remained a balance of $343,118 available for common stock of $7,000,000, or a rate for the year of 9.8%. After paying the half year's common dividend of $175,000 at a 5% rate, there remained $168,118 to carry forward into the second half of the year.

This, on the surface, does not indicate much of a growth for the current year, but conditions in the trade were such for the greater part of the six months that the fact of the company being able to show as good a statement proportionately as last year is a subject for congratulation. For the period following Oct. 31, 1918, as the president, F. N. McCrea, points out, there was a dislocation of trade and industry. "This was felt severely in all lines of the pulp and paper products, with the exception of the newsprint paper, the demand for which was the first to recover from the effects of the changed world position. Re-adjustment to a peace basis in the market for the other pulp and paper products has been slower, and it was only in the last two months of the period that trade approached a normal condition."

Better Earnings Lately

During the last two months there has been a revival in the demand for all lines, and thus the first part of the latter six months starts off with much improved earnings, so that the year ending Oct. 31, 1919, should see a very fair increase in net profits over 1918, as there is every indication of a steady improvement in pulp and paper business. It should be noted, also, that the statement of earnings does not include those of the Groveton and Claremont plants in the United States, now operated by the company.

The following is the statement of profit and loss account for the six months, Nov. 1, 1918, April 30, 1919:

PROFIT AND LOSS ACCOUNT

Gross profits	$517,355
Less salaries, general expense and legal expenses	50,461
	$466,894
Less interest on bonds and bank loans	53,776
Net profit for half year	$413,118
Preferred dividends	70,000
	$343,118
Common dividends	175,000
Carried forward	175,000

Included in the statement is a very useful record of the output of the company, showing a very diversified production, and information as to what extent this output is utilized by the company in its own series of coordinating mills. The record is given for each mill, and the total reaches 212,000 tons in the year of pulp and paper. The news-print total of 34,000 tons, includes the increased output through the installation of the new news-print machine, of 17,000 tons a year.

These two sets of figures are as follows:

Plant— Actual Output	Tons
Brompton—	
Groundwood	45,000
East Angus—	
Groundwood	15,000
Kraft pulp	27,000
Newsprint paper	34,000
Kraft paper	9,000
Box board	15,000
Groveton, N.H.—	
Unbleached sulphite	25,000
Kraft and bond papers	24,000
Claremont, N.H.—	
Kraft and bond papers	18,000
Total pulp and paper roduction	212,000
Lumber production at East Angus and Groveton	12,000,000 ft.

The disposal of these products to the Company and to the outside market is as follows:—

	Total Produced	To Co.	Ex. for Sale
Groundwood	60,000	45,000	15,000
Sulphite	25,000	17,000	8,000
Kraft pulp	27,000	27,000	....
Box board	15,000	....	15,000
Kraft and bond	51,000	....	51,000
Newsprint paper	34,000	....	34,000
Total	212,000	89,000	123,000

	Total Produced	Excess for Sale
Lumber	12,000,000 ft.	12,000,000 ft.

On the Stock Exchange

For some time past there has been active operations in connection with Brompton stock. Months ago it was reported that the dividend would be increased from 5 to 6%, but it was decided inopportune to do this in the face of Government control of the news-print industry in Canada. At the same time the company was increasing its holding of mills through the acquisition of several in the United States that would work in with the Canadian mills, receiving their output, and furnishing them in return with pulp to manufacture. The price this week has been very firm, running up close to 65 on active buying. It has been reported for some time that a pool has been operating.

NEW CONTRACT FOR "IRON'S" SHIP PLATES

Conference at Ottawa This Week Did Much to Clear Up Situation

A favorable development in the fortunes of the Dominion Steel Corporation took place this week when a conference was held at Ottawa between representatives of the company and the Minister of Marine and Fisheries, Hon. C. C. Ballantyne, in regard to an adjustment of the ship plate contract between the government and the company. Some weeks ago it was announced that the original agreement for 50,000 tons of ship plates yearly for five years at $4.15 per cwt. had been cancelled, and as no large program for shipbuilding had been announced by Ottawa, it was generally taken for granted that the mill proposal would be dropped permanently. This has been revived, however, and it is understood that a new contract at a lower price will be entered into and announcement made very shortly. When he referred to the contract one year ago, Mark Workman, the president, said: "I regard the agreement as the most important transaction the corporation has negotiated since its inception."

The steel corporation was represented by Mark Workman, William McMaster, J. H. Plummer, E. R. Wood and Hector McInnes, K.C.

GREECE TAKES WHEAT FROM CANADA'S MILLS

Filling of Order Will Cut Heavily Into Available Supply

By J. L. RUTLEDGE
Editor "Canadian Grocer"

The milling situation that has been the butt of so many evil chances this year has again been complicated by unwise governmental action. The Canadian Government without apparently any exhaustive inquiry into the stocks of grain available entered into contract with the Grecian Government to sell them 3,000,000 bushels of wheat. The time coming to deliver they discover that there is not now available any such quantity of wheat of the grade sold. The Government, having put themselves under obligation to deliver this wheat have had to take it from the only sources available, the mills, the railways and the elevator companies.

The quantity sold represents very closely the balance of last season's crop, of all grades down to No. 4. The Wheat Export Co. have released a part of its purchases to meet the demand, and have replaced stocks with lower grade wheat, so that there are only limited supplies of any grade of wheat available at the moment. This condition of affairs is, of course, serious to the milling industry of Canada. It means a tying up of the Canadian mills for probably six weeks, whereas had these stocks been available they might have continued operations practically till the new crop wheat was available.

During the year the mills have had to face competitive buying, and are ready to face it, but this is an entirely different matter. It is not competitive buying, for the wheat market was practically closed, the Government merely is taking over stocks already purchased in good faith by other agencies.

Fortunately the new crop will be available considerably in advance of its usual season, otherwise the conditions might be still more aggravated.

PACKING PLANTS ACTIVE

Italian Orders a Big Factor in Export Trade

There has been an unusual activity recently around some of the large packing plants, owing to heavy export orders that have almost taxed the capacity of the plants. Especially heavy have been the orders from Italy, a previously little known purchaser. Italy, it appears, has come into the market with a keen demand for bacon, and also for beef. As this market is not quite so discriminating as those that the Canadian packing plants have catered to in the past, its opening to the Canadian trade will mean an easier outlet for products that it might be difficult to market elsewhere.

TOOKE BROS. MADE 10.17% ON ITS COMMON

Prosperity of Textile Mills Reflected in Men's Wear Makers

PROFITS $152,310

Working Capital Increased by $75,000 — Stock Shows Steady Advance on the Exchange

The annual statement of Tooke Bros., Limited, manufacturers of shirts, collars, etc., submitted to the shareholders at the meeting on Thursday, reflected the prosperity of nearly all textile plants or dealers in textiles, and showed an increase in profits from $135,758 last year, to $152,310 for the year ending May 31 of this year, and compared very favorably with profits of $111,955 in 1917. After allowing for preferred dividends of $86,188, and depreciation reserve, there was a balance of $51,122 as surplus for the year. The earnings for 1919 show 15.46% on the preferred stock, amounting to $985,000, compared with 13.78 one year ago. Now that the balance owing on the preferred has been met, it is fair now to refer to the common stock, on which there was earned 10.17%, compared with 7.63 in 1918. The total surplus now stands at $200,501, compared with $149,379 one year ago. In 1917, with $120,662 paid for current and arrears of preferred dividends, there was actually a deficit of $22,707.

The profit and loss statement compares as follows:

PROFIT AND LOSS ACCOUNT

	1919	1918	1917
Profits	$152,310	$135,758	$111,955
Pref. div's	86,188	86,188	120,662
Dep. res.	15,000	*11,500	†14,000
Surplus	$ 51,122	$ 38,070	$ 22,707
Prev. surp.	149,379	111,309	134,016
Total surp.	$200,501	$149,379	$111,309

*Including directors' fees.
†Deficit.

The balance sheet shows a gain of over $200,000 in liquid assets, and of $150,000 in current liabilities, leaving a net increase in working capital from $566,631 to $641,510. The inventory has grown about $100,000, which does not more than represent the increased valuations of the same quantity of goods. The two years' figures compare thus:

WORKING CAPITAL

	1919	1918
Liquid Assets:—		
Cash	$ 7,041	$ 2,997
Bills rec.	6,217	10,865
Acc. rec.	624,327	493,013
Inventory	751,690	652,149
	$1,389,275	$1,159,024
Current Liab:—		
Bills pay.	334,561	338,166
Accs. pay.	395,967	236,989
Dividend pay	17,238	17,238
	$747,765	$592,393
Bal. working cap.	$641,510	$566,631

ALLEN THEATRES

Consolidation of Various Projects Is Now Being Planned

A consolidation of the finances of the various Allen theatres in Canada is now being planned, and it is expected that it will be put into effect about the first of next year. The idea is to make one issue covering all the theatres to absorb the individual ones of each. The holding of each shareholder in the new company would be based upon relative values in the present individual propositions.

LOOKING FOR OIL

Imperial Oil Co. Will Spend a Million In Alberta

SASKATOON.—The Imperial Oil Company has doubled its appropriation for exploration and drilling, and will spend a million dollars in northern Alberta.

The company is going ahead in the territory leased this spring in the Czar district, fairly close to the Saskatchewan boundary. An outfit has already been shipped into the field.

The official announcement was made at Toronto recently by G. Gearson that the company, which has set out to spend $500,000 this year investigating the oil resources of the Canadian West, had decided to increase this appropriation to a million dollars. He added that in the great unexplored lands of the Mackenzie basin there was enough oil to keep up the present supply for two thousand years, and that this supply would very soon be rendered accessible.

NORTHERN OHIO

The earnings statement of the Northern Ohio Traction and Light Company for the twelve months ending with May 31, shows gross amounting to $7,917,504, as against $6,683,265 for the same period in the previous year, a gain of $1,234,239. Operating expenses totalled $5,309,431, which left gross income amounting to $2,608,073, an increase of $213,726. Fixed charges at $1,261,041, left net income amounting to $1,347,031, which showed a decrease of $13,557 from last year's figures.

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In Queensland 19
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In Western Australia.... 21
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And in NEW ZEALAND.. 44
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BUFFALO MINES REPORT FALLING OFF IN PROFITS

Operations For Last Fiscal Year Were on Smaller Scale

HIGH BONUSES

Payment of High Bonuses to Miners May Prevent Company From Making Any Profit This Year

Operating revenues were reduced from $1,211,661 to $811,662, while the net corporate income was $171,238 against $264,282. The statement of earnings and expenses for the two years was as follows:—

Operating revenues ..	$811,662	$1,211,661
Less ore and bullion unsold	153,171	378,521
	$658,491	$ 824,140
Other income	16,187	7,146
	$674,678	$ 831,286
Operating expenses .	409,503	443,058
	$265,175	$ 388,228
Depreciation charges.	33,799	32,405
	$23,375	$ 355,822
Admin Expenses, etc	60,137	91,539
Net corporate income.	$171,238	$ 264,282

The balance sheet shows the following assets and liabilities:—

Assets	1919	1918
Cash ore and bullion..	$430,249	$ 593,171
Bonds	135,000	3,750
Accts. receivable	1,068	6,681
Supplies on hand	51,295	73,571
Plant, buildings, etc.	154,371	183,153
Mines water supply .	6,305	6,305
Mining rights	407,092	657,092
Deferred charges ...	3,878	4,801
Total assets	$1,189,261	$1,528,527

Liabilities	1919	1918
Accounts payable	$ 32,146	$ 32,060
Reserve for transport	20,921	59,226
Capital outstanding..	500,000	750,000
Surplus	636,193	687,239
Total liabilities	$1,189,261	$1,528,527

During the year the mill treated 28,572 tons of ore from the mine, and 2,000 tons of ore from stock piles on surface, a total of 30,572 tons of ore treated. The mill also treated 77,239 tons of sand tailings. There remain 17,607 tons of broken ore in the mine, recovery from pillars, backs of stopes and outbreaks, of approximate value of 11 ounces per ton. There are also 3,000 tons of ore of doubtful grade, making a total of 20,607 tons of ore in the stopes. There are 33,000 tons of sand tailings, averaging about 6.5 ounces.

The president, Charles L. Denison, in transmitting the report, says: "Whether a profit is possible the coming year from operations of the mines and mill depends on whether the company can continue to pay the high bonuses at present in force in the Cobalt district, notwithstanding even further advances in the price of silver."

GRANBY CONSOLIDATED

Makes New Arrangement for the Handling of Product

The Granby Consolidated Mining and Smelting Company produced about 25,000,000 pounds of copper in the fiscal year ending June 30, against 45,000,000 pounds during the previous period, according to a report issued by the company. Both mining properties have maintained operations on a reduced scale, although it was expected the Phœnix mine would close down permanently with the metal below 18 cents per pound.

There was an apparent surplus of but $27,000 from the 1917-18 operations, but this was after maintenance of a ten per cent. dividend and the setting aside of over $2,000,000 for special items. A one year renewal of the contract for the handling of its copper product has been given the American Metal Company. The previous arrangement was for a ten year period which expired at the end of last year. By the new arrangement the company will receive the price actually paid by consumers.

The Nichols Copper Company will continue to refine the Granby product, the American Metal Company acting as sales agent. The quarterly dividend of one and a quarter per cent. was passed recently because of continued strikes in the Granby district, labor conditions in general and peculiar conditions in the copper industry.

CONSOLIDATED SMELTERS

Head Office To Be Removed From Toronto to Montreal

The shareholders of the Consolidated Mining and Smelting Co. of Canada, have been summoned to a special meeting on July 16, in Toronto, to consider and confirm a by-law changing the head office of the company from Toronto to Montreal.

The main interest in the company rests in Montreal, and the death of the president, W. D. Matthews, of Toronto, and the large interest the Canadian Pacific Railway Co. holds in the company are probably the reasons why the move is being hastened at this time. It is believed that some Montreal man will be chosen president. The proxy forms are signed by James J. Warren, managing director, and George Sumner, vice-president.

It was announced in Toronto on Thursday that James J. Warren, managing director of the company, would succeed the late W. D. Matthews as president.

ADANAC

The northern correspondent of the Toronto *Globe* reports this week that a carload of ore, made up of between 50,000 and 60,000 pounds, has been shipped from the Adanac mine to the Ontario Government sampling plant at Cobalt. The shipment was made up of concentrates from the treatment of about one thousand tons of low-grade ore, together with the high-grade ore bagged during recent months. Although the exact figures are not available, yet it is understood the value of the shipment, after deducting the cost of mining operations this year, leaves a substantial balance. At the 310-foot level, in the north part of the mine, a raise is being driven up on a strong vein, in which heavy cobalt mineralization occurs. This raise is for the purpose of exploring the vein in the Keewatin formation directly above the diabase. The vein is about eight inches in width.

MINING CORPORATION

It is reported from Cobalt that the Mining Corporation is treating about 300 tons of sand tailings every twenty-four hours, in addition to the usual amount of ore from underground. The sand is being drawn from the stock pile at the west side of the railway for the time being. Before the end of the month, however, the work of pumping tailgs from the bed of Cobalt Lake will be resumed. As yet the Mining Corporation has not utilized its new oil flotation equipment, the cyanide process still being satisfactory. The material is being ground to forty mesh, and the percentage of recovery is understood to be satisfactory.

DOMINION STEEL

Two important appointments were made this week to Dominion Steel Corporation. Roy Wolvin, president of the Montreal Transportation Company, and general manager of Halifax Shipyards, and a recognized expert on transportation, was added to the Board, and it is believed he will have considerable influence on the transportation end of the corporation's business.

Then announcement was made that H. J. McCann had been chosen assistant to Mark Workman, the president. Mr. McCann has heretofore been purchasing agent of the Dominion Iron & Steel Company. Mr. McCann entered the company's service some years ago as telegraph operator. He was eventually promoted to the post of general storekeeper, which position he held until his appointment as purchasing agent.

UNLISTED SECURITIES

STOCKS—		Bid	Ask
Alberta Pac. Grain, com..		122	130
Do. pref.		89	95
Belding-Paul, com.		39	45
Do., pref.		88	95
British Amer. Ass.		9	12½
Can. Fairbanks, pfd......		86	91
Can. Mortgage		67½	72
Carter-Crume, pfd.		60	72½
Can. Mach., com.........		24	29
Do., pref.		30	59
Can. Westinghouse		115	130
Canadian Oil, com.		46	54
Do., pref.		95	102
Dom. Manufac., pref.		47	60
Dom. Power &Trans., com		47	55
Eastern Car, pref.		50	..
Home Bank		90	98
Illinois Traction, pref.....		75	78
International Milling pref.		88	91
King Edward Hotel, com.		45	55
Loew's Toronto, com.		125	140
Dunlop Tire, pfd..........		94	99
Massey-Harris		110	120
Scarboro Golf		50	70
Wm. Neilson, com.		54	65
Sterling Coal, com.		15	17
Sterling Bank		110	120
Trust & Guarantee		83	88
Western Assurance		10	15
Whalen Pulp & Paper, com.		25	30
BONDS—			
Algoma Steel Corp.	5s	70	75
P. Burns, 1924.....	6s	100	105
P. Burns, 1931.....	5s	96	99
Eastern Car	5s	91	95
Mex. Northern Pow.	5s	12	16
Morrow Screw	5s	88	92
N. S. Steel Dbs.....	6s	87	93
Ontario Pulp	6s	92	94
Sterling Coal	6s	72½	76
Stone Limited	6s	94	98
Toronto Power ...	5s	90	93
Tor. & York Radial	5s	97	99
Toronto Paper	6s	86	92
West Can. Power.	5s	57	61

Stock Movements of the Week

Week ending July 10. 1919.

Banks—	Ask	Bid	High	Low	Close	Sales	Yield to July 3
Commerce	205	203½	205	204	204	39	5.86
Dominion	205	203	205	203¾	205	54	5.85
Hamilton	184	183¾	184	184	184	29	6.52
Hochelaga	...	157	158	158	158	10	5.73
Imperial	200	199½	200	199	200	167	6.00
Merchants	200	199	200	198	199	328	5.55
Molsons	195	...	195	195	195	1	6.15
Montreal	...	217	217	215	217	99	5.52
Nova Scotia	...	276	276	275	276	53	5.81
Royal	216	...	216½	215½	216	84	5.55
Standard	...	215	216¼	215	216¼	8	6.07
Toronto	200	199	199½	199½	199½	7	6.06
Union	164	161	162	161	162	71	6.17
Transportation—							
Barcelona	10	9½	10	9¼	9¾	730	...
Brazilian	60½	60	60¾	57¾	60½	3402	...
Can. Steam., com..	51	50	52	50	50½	2405	8.00
Do., pfd.	84	83½	84⅝	82	84	1789	8.33
Detroit United	106	105½	106½	105¾	106	545	7.47
Porto Rico Rys., c.	30	...	25	25	25	30	...
Quebec Ry.	19½	18½	19½	19	19	775	...
Toronto Ry.	51	50⅝	50⅝	46	50⅝	503	...
Twin City	...	...	53	53	53	5	7.27
Winnipeg Ry.	...	...	47½	47½	47½	10	...
Telegraph, Light and Power—							
Bell Telephone ...	119½	118½	120	118½	119	216	6.66
Consumers' Gas ..	...	148	151½	151½	151½	140	6.62
Mackay, com.	80	78¼	78½	78	78½	169	7.67
Mont. L., H. & P...	89½	89	90¼	89	89	799	4.49
Ottawa Light, Heat	...	...	82	82	82	5	7.22
Shawinigan	121½	121	122	121½	121½	702	5.73
Industrials—							
Abitibi P. & P., c.	...	82	82	80	80	270	8.64
Am. Cyan., com...	45	43	47	38	47	620	...
Ames-Holden, com.	50	...	50	47	50	1725	...
Do., pfd.	96	95	96¾	93½	96¾	5337	7.52
B. C. Fish, com....	...	...	53¾	52¾	53	130	9.43
Brompton, com....	64⅞	64¾	64⅞	64	64⅞	3965	7.93
F. N. Burt, pfd....	...	91	95	95	95	12	7.44
Can. Bread, com...	20⅝	20½	21	20½	20½	100	...
Do., pfd.	82	...	82¼	81	81	24	8.53
Can. Cement, com..	70½	70	71	68½	70	2499	8.82
Do., pfd.	...	100	101½	101	101	383	7.00
Can. Car & Fdy., c.	42½	41	43½	39	41	2965	...
Do., pfd.	...	...	100	97	100	1573	7.36
Can. Converters ..	60	58	60	51½	59	90	8.92
Can. Cottons, com.	84½	...	85	81	83	150	7.40
Do., pfd.	85	83½	85	84	85	63	7.22
Can. Fdrs. & F., c..	208½	...	208	192	205	5524	6.48
Can. Loco., com....	83	82	83	77	83	446	7.89
Do., pfd.	...	...	95	94	94	31	7.44
Can. Gen. Elec., c..	112	111	112⅞	111	111	71	7.14
Carriage Fact., com.	...	14½	15	15	15	40	...
Dom. Bridge Co....	107	105½	107	106	107	30	7.47
Dom. Canners, com..	58	56	59	53	56½	944	...
Do., pfd.	91	89¾	91	91	91	20	7.69
Dom. Steel Corp., c	70¼	70	71¼	69½	70¼	16026	8.69
Dom. I. and S., pfd.	...	...	98½	98	98¼	68	7.07
Dom. Coal, pfd....	...	98	98	98	98	5	7.00
Dom. Textile, com.	117	116¾	117	114	117	1445	7.01
Do., pfd	107	105	105	104	105	158	6.86
L. of Woods, com.	...	...	180	176	178	120	6.66
Do., pfd.	...	...	106	106	106	10	6.60
Laurentide Co. ...	222	221⅞	222	220	221	729	5.45
Lyall Con. Co., c..	82	81	83	80¼	81	2350	5.45
A. Macdonald Co., c	35	34¾	36	34½	35	1700	9.87
Maple Leaf Mill., c	172½	172	175½	164	172½	3528	6.09
Do., pfd.	...	...	105	105	105	25	6.60
Mont. Cottons, com.	70	...	69	69	69	105	5.88
Do., pfd.	...	103	103	103	103	132	6.79
Monarch Knitting, c	...	60	60	60	60	91	...
Nat. Steel Car, com	10	9	10	10	10	10	...
N. S. Steel, pfd....	...	...	112½	112	112	30	...
Ogilvie Flour, com.	253	...	255	255	255	35	4.70
Do., pfd.	...	...	107	107	107	10	6.48
Ont. Steel Prod., c.	34	...	34	33½	34	50	...
Do., pfd.	79	77	77	76	77	100	9.33
Penmans, Ltd., com	...	94½	95¼	95	95	105	6.59
Riordon P. & P., c.	144	142	144½	138¼	144	5309	7.93
Do., pfd.	...	...	91¼	91¼	91¼	10	7.14
Russ. Motor Car, c	80	75	83	83	83	10	8.53
Sawyer-Mass., c....	...	20	20¼	20	20	170	...
Do., pfd.	...	56	59	50	59	71	...
Smith Mills, com..	...	...	78	78	78	215	...
Do., pfd.	95	...	95	92	92	20	7.36
Span. River, com..	46	45	45¾	41½	45¾	12797	...
Do., pfd.	108½	107½	108½	106¾	108½	3295	...
Steel Co. of Can., c	72⅞	72½	76	72⅝	72⅝	11020	8.10
Do., pfd.	...	...	99½	98½	98½	100	7.07
St. Law. Flour, com	111	109½	113½	109	109	945	5.50
Do., pfd.	...	...	95	95	95	5	7.21
Tooke Bros., com..	44	43	43	42	43	604	...
Do., pfd.	...	...	88	86¾	87	190	8.13
Tuckett Tobacco, c	46½	45½	46½	36	46½	2256	...
Do., pfd.	...	...	90	88	89	78	7.69
Wabasso Cotton..	...	85	86½	85½	85¾	132	7.05
Wayagamack, com..	47¾	47	48	47	48	485	...

EXPORT TRADE. WANTED
A position with reliable corporation interested in export trade. Advertiser has experience of other parts of Empire, thorough knowledge of accountancy, costing, shipping, correspondence and business generally. Desires position of trust with prospects, where conscientious, hard work and intelligent and wholehearted interest in business will be appreciated. Highest references. Visiting Toronto and Montreal first week in August; would welcome personal interview. J. G. Cookson, Box 34, North Battleford, Sask.

Canadian Car and Foundry Company, Limited

SIX PER CENT. FIRST MORTGAGE BONDS

UNDER the Sinking Fund provisions of the Trust Deed executed in favor of the Royal Trust Company on 1st December, 1909, the Canadian Car & Foundry Company, Limited, is to pay to the Royal Trust Company on 1st July, 1919, the sume of One Hundred and Seventy-four Thousand Six Hundred and Forty-four Dollars and Forty Cents ($174,644.40) to be invested in the purchase of outstanding Bonds secured by the said Trust Deed.

Tenders from holders of these bonds will be received by the Royal Trust Company, Montreal, up to Friday, 1st August, 1919.

The right is reserved to reject any or all tenders.

THE ROYAL TRUST COMPANY,
TRUSTEE,
A. E. Holt, Manager.
105 St. James Street, Montreal.

The Merchants Bank Of Canada

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and its Branches, on and after the 1st day of August next to Shareholders of record at the close of business on the 15th day of July.

As regards new stock paid up subsequent to 15th May, in full or in part, the rate of Three Per Cent. for the current quarter (or twelve per cent. per annum) will apply proportionally from the dates upon which payments were made.

By Order of the Board.
D. C. MACAROW,
General Manager.
Montreal, 26th June, 1919.

WE OFFER TO SELL
$140,000 5% Bonds
in denomination of $1,000
Town of Montreal-East
Maturing 1951
Interest payable semi-annually on the 1st of May and November.
Price and Circular on demand
Credit-Canada Limitee
Bankers. est. 1910
145 St. James St. MONTREAL

MINES — TIMBER
This Company maintains a special department for the investigation of development propositions in Western Canada, and only those of sterling merit are commended to the consideration of our clients.
LOUGHEED & TAYLOR, Limited
Government, Provincial, Municipal and School Bonds
Galgary, Canada

Tooke Bros., Limited

PREFERRED STOCK DIVIDEND NO. 29

NOTICE is hereby given that a Special Dividend of 3½% on the Preferred Stock of this Company, being the balance of arrears of dividends on said issue, has been declared, payable on the 19th of July to Shareholders of record on the 10th of July.

By order of the Board.

W. S. BARKER,
Secretary-Treasurer.
Montreal, June 28th, 1919.

The Northern Assurance Company, Limited

BALANCE SHEET AS AT DECEMBER 31st, 1918

ASSETS		
Mortgages on Property within the United Kingdom		£463,066 9 1
" " out of the United Kingdom		36,696 6 7
Loans on Parochial and other Public Rates		197,732 2 3
" " Life Interests		20,610 7 10
" " Reversions		33,890 10 6
" " Company's Policies within their Surrender Values		231,909 15 1
" " other Securities		4,950 0 0
Investments—		
Deposit with the High Court—		
£23,157 15s. 5% War Loan	£21,814 4 6	
£28,000 South-Eastern Ry. 3% Preference Stock	17,534 0 0	
		39,348 4 6
British Government Securities		4,831,904 0 11
Municipal and County Securities, United Kingdom		253,236 7 2
Indian and Colonial Government Securities		1,018,883 11 4
" " Provincial Securities		100,779 6 11
" " Municipal Securities		186,002 19 5
Foreign Government Securities		918,459 15 0
" Provincial Securities		27,364 6 3
" Municipal Securities		458,253 13 5
Railway and other Debentures and Debenture Stocks—Home and Foreign		1,556,790 7 3
Railway and other Preference and Guaranteed Stocks		599,460 7 3
Railway and other Ordinary Stocks		127,133 0 4
Rent Charges		497 18 10
Freehold Ground Rents		44,952 10 5
Reversions		289,972 14 1
House Property (Company's Offices)		857,562 2 11
" " (Mortgages foreclosed)		3,505 2 6
Company's Interest in Salvage Corps' Buildings		6,030 1 5
Goodwill of acquired Companies		748,912 17 6
Due from other Companies and Agents		1,303,063 16 6
Outstanding Premiums		53,936 17 9
" **Interest, Dividends and Rents**		10,235 8 11
Interest accrued but not payable		61,310 17 11
Bills receivable		23,691 11 2
Cash at Home and Abroad—		
On deposit	£216,477 17 9	
In hand and on current account	324,310 8 3	
		540,788 6 0
		£15,045,932 5 0

NOTE.—The market value of the Stock Exchange Securities, taking the lower price, less accrued interest, as at 31st December last, is £9,639,538, against the ledger value, less Investment Reserve Fund, of £9,807,616.

LIABILITIES			
Shareholders' Capital.—			
Authorized—			
300,000 Ordinary Shares of £10 each	£3,000,000 0 0		
67,000 6% Participating Preference Shares of £7 10s. each	502,500 0 0		
	£3,502,500 0 0		
Issued—			
300,000 Ordinary Shares of £10 each, £1 paid		£300,000 0 0	
66,936 6% Participating Preference Shares of £7 10s. each, fully paid		502,020 0 0	
			£802,020 0 0
Fire Insurance Fund			2,356,206 7 1
General Insurance Fund			218,322 2 11
Employers' Liability Fund			190,505 18 5
Personal Accident Fund			18,588 4 9
Marine Fund			2,981,384 12 4
Investment Reserve Fund			305,000 0 0
Life Assurance Funds—			
Participation		£3,777,942 11 6	
" Contingency Fund		97,527 0 0	
Non-Participation		409,394 19 8	
Annuity		776,408 4 6	
			5,061,272 15 8
Endowment and Capital Redemeption Fund			152,942 19 6
Staff Pension Fund			175,801 15 10
Fletcher Trust Fund			11,934 9 7
Profit and Loss Account			468,485 0 1
			£12,742,464 6 2
Superannuation Fund			17,229 8 0
5% Debenture Stock outstanding			1,002,290 0 0
Claims admitted or intimated but not paid—Life			136,014 13 5
" " " " Fire			329,904 17 4
" " " " Endowment and Capital Redeption			1 050 0 0
Unclaimed Surrender Values			7,755 5 4
Annuities due and unpaid			1,019 5 10
Outstanding Charges and Income Tax			301,072 15 0
Bills Payable			8,222 14 [illegible]
Due to other Companies and Agents			463,257 16 7
Clerks' Saving Fund			5,793 5 8
Unclaimed Dividends and Interest			1,775 6 5
Debenture Interest due 1st Jan., 1919			17,540 1 6
Preference Dividend " "			10,542 9 6
			£15,045,932 5 0

London, E.C. H. GAYFORD, H. C. HAMBRO,
17th April, 1919. J. ROBERTSON, Joint General Managers. L. E. CHALMERS, Directors.

We have audited the above Balance Sheet, and have examined the books of the Company, and obtained all the information and explanations we have required.

The Accounts of the London Office have been examined by the undersigned Deloitte, Plender, Griffiths and Co., and the Accounts of the Aberdeen Office have been examined by the undersigned, Andrew Davidson.

There are securities deposited with the German Government and in Russia which we are unable to verify in the usual manner, and there are sums due, approximating £68,000, from Companies and Agents in Germany and Russia.

The audited Balance Sheets of the Melbourne and Calcutta Branches have not yet come to hand.

No specific provision has been made for Excess Profits Duty as the amount of such liability, if any, has not yet been settled.

Subject to these remarks, we have to report that in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

We certify that no part of any Fund has been applied, directly or indirectly, for any purpose other than the class of business to which it is applicable.

DELOITTE, PLENDER, GRIFFITHS & CO.
17th April, 1919. ANDREW DAVIDSON, C.A. Auditors

MONEY BANKING AND EXCHANGE

BANK CLEARINGS SHOW DECIDED IMPROVEMENT

Only One City Out of Twenty-Six Shows Falling Off

TOTAL HIGHER BY 20.3%

Winnipeg Reports Gain for First Time in Months — Prince Albert Shows Largest Percentage Gain

Out of a total of twenty-six cities reporting bank clearing returns for the week ending Thursday, only one city shows a falling off as compared with the figures for the corresponding period in 1918. The total for the week is $338,433,471, a gain of $57,273,577, or 20.3 per cent. In the East the gain is $47,462,472. Montreal, with a total of $132,210,587, shows an increase of $31,210,592, while Toronto, with returns of $86,816,576, reports a gain of $7,692,195. Windsor shows the largest percentage gain of 52.7 per cent. The total for the West is $77,493,695, a gain of $9,811,105. Winnipeg shows an increase of $2,290,431, or 6.4 per cent. Prince Albert shows the largest percentage gain in the West with clearings for the week totalling $416,608, a gain of 58.1 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS

(In comparison with same week last year.)

Eastern Cities

	July 10, 1919	Change	%
Montreal	$ 132,210,587+	$ 31,210,592	30.9
Toronto	86,816,576+	7,692,195	9.7
Ottawa	8,806,749+	2,051,308	30.3
Hamilton	6,829,751+	386,788	6.0
Quebec	7,532,861+	2,369,301	45.9
Halifax	5,597,048+	840,496	16.9
London	4,043,157+	1,128,044	38.7
St. John	2,908,640+	346,724	13.5
Brantford	1,296,140+	204,759	18.8
Peterboro	915,650+	250,162	37.6
Sherbrooke ...	948,720+	96,550	11.3
Kitchener	964,303+	239,833	33.1
Windsor	1,870,094+	644,719	52.7
Total, East. ..	$ 260,939,776+	$ 47,462,472	22.2

Western Cities

	July 10, 1919	Change	%
Winnipeg	$ 38,240,880+	$ 2,290,431	6.4
Vancouver	13,644,830+	2,788,893	25.8
Calgary	6,806,516+	1,262,545	22.7
Edmonton	4,284,251+	762,974	21.6
Victoria	3,436,649+	648,888	23.3
Regina	4,292,182+	1,242,247	40.8
Saskatoon	2,160,316+	387,494	21.8
Moose Jaw ...	1,694,353+	114,560	7.2
Brandon	689,774+	69,070	11.1
Lethbridge	781,694—	48,409	5.8
N. Westminster	570,762+	56,761	11.0
Medicine Hat..	474,881+	82,728	21.2
Prince Albert .	416,608+	152,923	58.1
Total, West. ...	$ 77,493,695+	9,811,105	14.5
Grand Total ..	$ 338,433,471+	$ 57,273,577	20.3
Yr. to date...	$7,238,701,685+	$803,491,368	12.5

Montreal Tramways and Power Company
Limited

6½% Secured Gold Bonds To Yield

6¼%

Particulars on request

Green, Henderson & Co.

Sun Life Bldg.
60 Victoria St.

Toronto,
Canada

We own and offer
Subject to prior sale

$50,000

Chicoutimi Pulp Co.

First Mortgage 6% Bonds

Due July, 1943

Price to Yield 6½%

Canadian Terms

Full particulars on request

W. STURGIS MACOMBER

Canadian Security Specialist

35 WALL ST., NEW YORK
PHONE HANOVER 6375

The Standard Bank of Canada

Quarterly Dividend Notice
Number 115

A Dividend at the rate of 3¼% for the three months ending 31st July, 1919, has been declared, payable 1st August, 1919, to Shareholders of record as at the 19th of July, 1919.

By Order of the Board,

C. H. EASSON,
General Manager.

Toronto,
June 20th, 1919.

LOAN DOES NOT AFFECT FUNDS

While it might have been anticipated that, with large blocks of the new external loan coming into Canada, exchange on New York funds would have weakened, this has not been the case to any appreciable extent. In fact, after dropping for one day under the even 3 per cent. rate, funds again passed to a premium on it. The market is pretty narrow and the outlook most problematical. The movement from day to day has been as follows:

July 4—Funds sold at 3⅛ per cent. to the buyer, easing off to 3 3-32 to the seller at the close.

July 5—Market very dull with a few transactions in Montreal at 3 1-16 to the buyer.

July 7—Funds opened at 3 1-16 offered; sold at 3 to the seller and closed there.

July 8—Funds sold at 2 31-32 to the seller in both markets.

July 9—Sold at 2 31-32 to the buyer, rising to 3 1-32 to the buyer.

July 10—Opened at 3 1-32 to the buyer, selling at 3 to the seller, 3 1-32 to the buyer and closing at 3 1-16 to the buyer in Montreal.

July 11—Funds sold at 3 1-32 to the seller in Montreal.

There has not been much movement in either sterling or francs, both of which have moved within narrow limits. Opening rates have been as follows:

	Sterling		Francs	
	Demand	Cables	Demand	Cables
July 4..	....	....	....	....
July 5..	4.50	4.51	....	....
July 7..	4.49¼	4.50¼	....	....
July 8..	4.48¼	4.49	6.87	6.85
July 9..	4.47½	4.48½	6.89	6.87
July 10.	4.49¼	4.50	6.79	6.77
July 11.	4.49⅛	4.49⅞	....	....

PARK-UNION BOARD

Three New Members Added to the Directorate

NEW YORK.—The board of directors of the Park-Union Foreign Banking Corporation has been strengthened by the addition of S. E. Elkin, M.P., of St. John, N.B., a director of the Union Bank of Canada; F. E. Kenaston, of Minneapolis, Minn., another director of the Union Bank of Canada, and A. P. Villa, of A. P. Villa and Brother, of New York City, a well-known firm of importers.

F. T. Short, secretary of the Park-Union since its formation, has re-entered the service of the Union Bank of Canada, and has been transferred to Toronto. Mr. Short returns to Canada after three years in the United States, during the greater part of which he was attached to the Union Bank of Canada's New York agency, as second agent.

UNION BUILDING PLANS

Winnipeg Strike Has Had Effect of Checking Operations

The check to building operations in Winnipeg, resultant upon the strike situation, has considerably delayed the building program of the Union Bank of Canada. With the decision of the Union Bank early in the year to extend its chain of branches within the city came the further decision to give the newly established branches new buildings.

When the strike broke the foundations had been laid at the corner of Corydon and Lilac and at the corner of Main and Mountain. At the latter site, on a lot of 66 feet frontage, the bank has in course of construction a building to cost $25,000, while at the corner of Corydon and Lilac the new structure is estimated to cost $15,000. A new building is understood to be in prospect for the corner of Main and Lansdowne, and it is possible, too, that another new building will be erected in West Kildonan, where a branch was established early in the year. In the early Spring a bank building was erected at the Union stock yards.

COMMERCE

H. R. Main, who has been manager of the Lougheed, Alta., branch of the Bank of Commerce, has been transferred to the branch at Wilcox, Sask.

L. F. Cross, manager of the Bank of Commerce at Barrie, is to move at the end of the month to the managership of the branch at Amherst, Nova Scotia, and will be succeeded by H. M. Lay, of Walkerton.

IMPERIAL

W. T. Carthew, accountant at the Ingersoll branch of the Imperial Bank, has been transferred to the branch at St. Catharines as manager.

STANDARD

J. O. Sparling, teller at the Standard Bank at Oshawa, has been transferred to the inspector's department at the head office of the bank at Toronto.

MOLSONS

M. M. Smith has been appointed manager of the Simcoe branch of the Molsons Bank, to succeed H. H. Groff, who has been appointed local advisor.

HOME

It will likely be September before the new branch office on the corner of Roncesvalles and Neepawa Avenues, Toronto, will be ready for occupancy. The making of building alterations and extensions involves a longer delay than was at first anticipated.

UNION

F. T. Short, manager of the newly-established branch of the Union Bank of Canada at Truro, N.S., was for more than two years one of the agents at the New York agency, and latterly acting secretary of the Union Bank of Canada's new-formed subsidiary, the Park-Union Foreign Banking Corporation, until his present appointment. Mr. Short is well known in the Maritime Provinces. He was manager at St. John, N.B., prior to going to New York.

Rounding out the new chain of branches in the Maritime Provinces, a branch of the Union Bank of Canada was opened at Moncton, N.B., during the week with J. H. Hurlburt, formerly of Kingsville, Ont., as manager. Another new branch will be opened at Kentville, N.S., shortly, under the managership of I. D. Eastman, formerly of Alexandria, Ont.

D. M. Macgregor is acting manager of the Union Bank of Canada, at Thornton, Ont., The manager, J. H. Thompson, is relieving at Owen Sound during the three months' absence of R. B. Towriss, who is touring the Canadian West.

NOVA SCOTIA

At a special general meeting of the shareholders of the Bank of Nova Scotia held during the week, the following directors were elected in addition to those elected at the last annual meeting: Hon. George Bryson, Fort Coulouge, Que.; Russell Blackburn, Ottawa; Sir George Burn, Ottawa; Sir Henry K. Egan, Ottawa; Hon. George Gordon, North Bay; John B. Fraser, Ottawa; Alexander MacLaren, Buckingham; Hon. M. J. O'Brien, Renfrew, Ont.; Hon. Sir George H. Perley, Ottawa; Edwin C. Whitney, Ottawa.

HAMILTON

M. C. Hart, manager of the Toronto branch of the Bank of Hamilton, has been appointed assistant to the general manager at the head office of the bank in Hamilton.

M. W. Morton, manager of the Regina branch, has been appointed to the staff of the general manager in Hamilton, as pro-assitant general manager.

C. H. Hodgetts has been appointed acting manager in Toronto, and F. H. McVittie, assistant manager in Toronto. Lieut.-Col. D. O. Hooper, D.S.O., M.C., recently returned from active service overseas, has been appointed assistant manager in the main office of the Bank of Hamilton.

MONTREAL

W. H. Norton-Taylor, who has been manager of the Sarnia branch of the Bank of Montreal for the past eight years, has been appointed manager of the branch at Brockville.

STERLING.

C. C. Campbell, who was accountant at the Winnipeg branch of the Sterling Bank at the time of enlisting, has again returned to the staff of the bank.

L. G. Fox, who has recently been at the Port Dalhousie branch, has been transferred to the head office, where he will assist in the profit department.

K. M. Starke, who has served seventeen months in France, is again back on the staff of the bank.

DOMINION

Sir Augustus M. Nanton, of Osler, Hammond & Nanton, Winnipeg, and Mr. Albert W. Austin, President of the Consumers' Gas Company, Toronto, were made vice-presidents of the Dominion Bank at a meeting of the Board of Directors.

BANK OF ENGLAND.

London, July 10.—The weekly statement of the Bank of England shows the following changes:

Total reserve, increase........£	455,000
Circulation, decreased	332,000
Bullion, increased	102,582
Other securities, decreased...	158,000
Public deposits, increased	237,000
Notes reserve, increased	424,000
Other deposits, increased.....	36,291,000
Govent securities, inc..........	38,243,000

The proportion of the bank's reserve to liability this week is 12.30 per cent.; last week it was 14.13 per cent. Rate of discount, 5 per cent.

BANK STOCK CHANGES

	Last July 8	Sales July 10	Ch'ge.
Commerce	204½	205	+ ½
Dominion	205	205	....
Hamilton	184	184	....
Hochelaga	*157	158	+ 1
Imperial	200	200	....
Merchants	199	202	+ 3
Molsons	195	195	....
Montreal	217	217	....
Nova Scotia	275	276	+ 1
Royal	216	216	....
Standard	*214¾	216¼	+ 1½
Toronto	198	199½	+ 1½
Union	162	162	....

*Last previous sale.

NEW TAXATION BEARS ON BANKS

Extra Amount to be Paid is Estimated at Million Dollars

The new taxation of 10 per cent. on corporations on income in excess of $2,000 will bear rather heavily on the banks, a fact that was not generally recognized at first. The extra amount, according to the figuring of the bank officials, will reach at least $1,000,000. Heretofore the special war taxation on the banks has been imposed in the form of 1 per cent. on the average circulation. This tax was only levied against that part of the circulation that was against capital, and not what is known as excess circulation, on which the bank pays 5 per cent. to the Government. Thus if a bank's profits were $2,000,000, the special tax would be $200,000, less the 1 per cent. tax on its circulation, which might be $125,000. The latter tax would remain, and of the former the bank would pay only the difference or $75,000, but that total would be equal to the 1 per cent. on the profits.

BRITISH BANKS ARE EXPANDING IN STATES

Branches in New York Prepare to Serve American Business

NEW YORK.—Indicative of the spirit with which Europe as well as America is viewing the United States as the future potential centre of the world's export trade are the arrangements being made by foreign exchange banks to adapt the facilities of their American branches to meet the future demands of American business men for export banking facilities. This seems especially true of the British banks, whose branches in New York have been expanded to meet conditions fully as they arise.

Following closely upon this expansion of the bank's facilities it is announced that Frederick C. Harding, for several years sub-agent of the New York office, has been appointed agent to succeed John Cone, who retires from active service on June 30, after thirty years of continuous service with the Anglo-South American Bank, and under whose direction the New York branch has grown in size and strength until to-day it is one of the most important foreign exchange and discount banks in the United States.

Significant of Mr. Harding's appointment is the announcement made by the bank that it has affiliated itself with four of the largest financial institutions in Great Britain in the organization of the British Overseas Bank, whcih has recently been incorporated in England by the Anglo-South American Bank, Ltd.; Glynn, Mills, Currie & Co.; the Northern Banking Co., of Belfast, the Union Bank of Scotland, and William Deacon's Bank, which will be increased as the necessities of the future demand. The object of the organization of the new bank is to enhance the facilities of the stockholding banks for branches in foreign countries, where they are not directly represented by offices.

IS A GUYSBOROUGH MAN

Successful Career of Assistant Manager Royal Bank (France)

HALIFAX.—A reader of THE FINANCIAL POST, who noticed that N. G. Hart is assistant manager of The Royal Bank of Canada (France), writes that he thinks it should be made prominent that Mr. Hart is not a New York man, as some people would suppose, but a native of Nova Scotia, and what this reader is particular to point out, a Guysborough man. This champion for Mr. Hart as a Guysborough man states that the assistant manager of the bank in Paris is young, scarcely out of his teens, a son of Lewis E. Hart, of the firm of Lewis Hart & Co., of that town. Mr. Hart began as a junior in the Royal Bank at Antigonish from which he was transferred to other points in Nova Scotia and then to posts in other parts of the country. He was in Montreal for a time, and then in New York, and when the Royal opened their branch in London he was sent there. Since then he was back in Canada as inspector in Ontario, and previous to his Paris appointment he was superintendent of foreign business, with headquarters at New York. It is always a matter of pride to Nova Scotians that the Royal Bank had its origin in Halifax. Its beginning was the old Merchants' Bank of Halifax, established in 1869. Subsequently it became the Royal and absorbed the Union Bank of Halifax, from which, as a matter of fact, the Merchants' had sprung. In this merger the offspring absorbed the progenitor.

McDougall & Cowans
(Members Montreal Stock Exchange)
93-95 NOTRE DAME STREET WEST, MONTREAL
Branch Offices:
Quebec — Toronto — Ottawa — St. John — Winnipeg — Halifax
Connected by Private Wire

BEAUSOLEIL, LIMITED
Financial and Investment Brokers
Dealers in Municipal and School Bonds
112 St. James Street MONTREAL

YOUR WILL TODAY---

Write your will to-day while you can give it careful consideration and give equal and exact justice to every one who deserves your favor or your support. In planning the best disposition of your assets, do not overlook the advantages of a company specially organized for service as Executor, Trustee, Guardian.

MERCANTILE TRUST COMPANY
of CANADA Limited
HAMILTON - - ONTARIO
Cyrus A. Birge, President
S. C. Macdonald, Manager
Major Henry L. Roberts, Vice-President
James Turnbull, Vice-President

WE OFFER
Ames-Holden-McCready, Limited
6% First Mortgage
Sinking Fund Gold Bonds

The Company is the largest Manufacturer of Footwear in Canada, and is at present in the most prosperous condition of its history.

The Bonds offered are First Mortgage on the Company's property, the net assets of which, after deducting all floating liabilities, goodwill, etc., amount to more than five times the amount of First Mortgage Bonds outstanding.

The average net earnings for a period of Seven years, after providing for depreciation, amount to over five times the average amount required to pay interest on these Bonds.

The present Market value of junior securities ranking after these Bonds is four times the total amount of this issue outstanding.

Adequate sinking fund provided for in Trust Deed.

Full particulars on request.

Price 93 and Interest Yielding 6.60%

HANSON BROS.
BOND DEALERS
Established 1883
160 ST. JAMES STREET
MONTREAL

In the Supreme Court of Ontario

In the matter of the Standard Reliance Mortgage Corporation *and* In the matter of the Winding-Up Act and Amendments Thereto.

NOTICE is hereby given that a meeting of the Debentureholders, Depositors, Creditors, Shareholders and Contributories of the Standard Reliance Mortgage Corporation will be held on Wednesday, the 6th day of August, 1919, at two o'clock in the afternoon at Massey Hall, Toronto, for the purpose of considering and if thought fit approving with or or without modification of a scheme of arrangement proposed between the said Company and its Debentureholders, Depositors, and other Creditors, and Shareholders; at which time and place all the aforesaid Debentureholders, Depositors and other Creditors and Contributories and Shareholders are requested to attend.

A copy of the proposed scheme of arrangement may be seen on any week day between the hours of ten o'clock and five at the following places:—

1. Toronto, Ont., at the Head Office of the Standard Reliance Mortgage Corporation, No. 10-12 King St. East.
2. Chatham, Ont., at the Office of the Corporation.
3. Woodstock, Ont., at the Office of the Corporation.
4. Ayr, Ont., at the Office of J. R. Folsetter.
5. Elmira, at the Office of the Corporation.
6. New Hamburg, at the Office of the Corporation.
7. Brockville, at the Office of the Corporation.

The said Debentureholders, Depositors, Creditors, Shareholders and Contributories may attend such meeting and vote in person or by proxy. Forms of proxy may be obtained at the said office of the Provisional Liquidator at No. 15 Wellington St. West, Toronto, on any week day between the hours of ten o'clock and five, prior to the day appointed for the holding of the said meeting.

The Official Referee will act as Chairman of the said meeting.

The above mentioned scheme will be subject to the subsequent approval of the Court.

And notice is also hereby given that at the said meeting the Official Referee will, pursuant to the Winding-up Order, appoint a permanent Liquidator of the Standard Reliance Mortgage Corporation.

Dated the 8th day of July, 1919.

J. A. C. CAMERON,
Official Referee.

Osgoode Hall, Toronto.

THE MERCHANTS BANK OF CANADA
Head Office: Montreal. Established 1864.
Paid-up Capital...............$7,000,000
Reserve Funds................ 7,574,043
Total Deposits (Apr. 1919)...$138,000,000
Total Assets (Apr. 1919)... 166,000,000
President: SIR H. MONTAGU ALLAN, C.V.O.
Vice-President: K. W. BLACKWELL
General Manager: D. C. MACAROW,
Supt. of Branches and Chief Inspector: T. E. MERRETT

COLLECTIONS FOR BUSINESS HOUSES

The satisfactory service which The Merchants Bank renders to Business Houses, in the matter of collecting Notes, Drafts and other financial paper, is due to the number and strategic location of its branches throughout Canada, and the efficient system in force.

Special attention is given to collections; returns are promptly made and credited; losses are often prevented by the care and thoroughness with which we do this part of our work.

307 Branches in Canada Extending from the Atlantic to the Pacific.

COMMONWEALTH BANK

Speaking at the conference of State Premiers at Melbourne on the elimination of the Federal and State savings banks' competition, the acting Prime Minister and Commonwealth Treasurer (Hon. W. A. Watt) put forward the proposal that all the State banking business at home and abroad and the flotation of State loans should be entrusted to the Commonwealth (Government) Bank of Australia. Although the bank commenced operations in 1913, practically without capital, and a loss resulted from the first year's operations, the accumulated profits now amount to £1,570,932, says the Melbourne *Argus*. The balance sheet lately issued by the Commonwealth Bank indicates that for th half-year ended December 31, 1 the profits were nearly double tho the corresponding half-year of

NEWS AND VIEWS FOR MANAGERS

BRITISH IDEA TO PAY EMPLOYEES BY BANK ACCOUNT

Lord Leverhulme Tries System Which Has Been Used Here

SAME DIFFICULTIES

Bankers Incline to View That Benefits Are More Than Out-Weighed by Increased Clerical Labor Involved

A system for crediting wages to the savings accounts of employees, subject to check, rather than paying them either in currency or by check, which has been adopted by at least one Toronto firm, has been previously referred to in these columns. Lord Leverhulme, I find, is employing the same idea in connection with his industries in England. The results there evidently indicate the same difficulties which have appealed to Canadian bankers and have prevented them encouraging the wide adoption of the system. The benefits accruing to the bank through enlarged deposits are offset by increased clerical work, etc. The views of the British banking fraternity are expressed in the Monthly Financial Report of Lloyd's Bank.—J. W. T.

Much interest has been aroused by the decision of Lord Leverhulme to adopt a new system of paying wages to the workmen of Lever Bros., Ltd., with the intention of helping them to save. The company is to pay over the wages to a bank chosen by the workmen, and it is thought that this will lead a man to draw merely the amount needed at the moment, leaving the balance on deposit. Such a balance is to be supplemented by an addition from the company of 5 per cent. interest. The scheme is quite good if it can be satisfactorily carried out. But from the banker's point of view there are very considerable practical difficulties, some of which have been cogently set out by J. W. Beaumont Pease in the April number of The Compendium. Mr. Pease welcomes the idea as helping to secure an enlarged clientele for the banks, and thus acting as an incentive to thrift. He points out, however, that "the machinery for doing the necessary work would be difficult to organize and still more difficult to start. Inevitably, the most work would fall upon the small branch banks in the mining and industrial districts, and, it would, moreover, come altogether on certain days at the end of the week, Fridays and Saturdays, when wages are paid and the men would be coming to draw their money. If the scheme had been in operation for some time and the men had become accustomed to leaving a balance in the bank, the presumption is that they would not all be coming to cash their weekly cheques on those particular days or hours, and in that case the scheme would be a practical proposition, because the men would simply come for money when they wanted it, not necessarily at the week end, but during the week. But as matters stand all parties would have to start de novo, and I do not see how we should be able to get over these difficulties. The very first week the scheme was put into operation, we should have thousands of workmen coming into the banks to draw out the money placed to their credit, and practically that would mean that the bank cashiers would be asked to take the position of pay officials of the firms and works employing the men. Under Lord Leverhulme's scheme, thousands of workmen who have credits placed with the banks would first have to draw cheques for the money they wanted, and then take them to banks to be cashed by the cashiers, an operation which, I consider, would, in effect, be a physical impossibility in small branch banks. Whether it would be possible to overcome this difficulty by the works paying into the banks in advance, say a week or two's wages and letting them accumulate to the credit of the men, is a matter for each works or firm to consider, but it must not be forgotten that the process would involve a big colliery or works in sums for wages which would run into thousands of pounds, and that the company would be lying out of that money for some time, which would constitute an additional expense and loss of interest. The small account gives a great deal of trouble, involves a lot of book entries, and, indirectly, a good deal of expense." It is perhaps scarcely necessary to point out to our readers that Lloyds Bank has already in existence, by means of its Savings Bank Department, the same incentive to thrift that Lord Leverhulme is now encouraging. The experience of this [illegible] is that the department is much [illegible]ated, and the more its advantages are known the better it is liked. But, while Lord Leverhulme's scheme is full of practical difficulties, the bank's savings department is working smoothly and well.

CANADIAN BANKER AND FRAME CHARGES

A Defence of the Branch System by R. H. Hebden, of Bank of Montreal

Charges, serious in character, but weak as to fact, regarding the Canadian branch bank system have been made by A. J. Frame, chairman of the Waukesha National Bank. Mr. Frame argues that the systems skim the cream from the branch centres for the benefit of the great centres, etc., etc., with the result that the "progress of Canada is seriously paralyzed." A reply which is here reproduced has been made by R. Y. Hebden, New York agent of the Bank of Montreal.—

With regard to the first statement, namely, that the banking power of Canada approximates that of Massachusetts, the facts as disclosed by the records are as follows:

"On the 31st of December last the total of the resources of all member banks (including national banks, state banks and trust companies) in Federal reserve district No. 1 was $1,937,914,000

"Federal Reserve District No. 1 includes not only Massachusetts but Maine, New Hampshire, Vermont, Rhode Island and Connecticut with the exception of one county in the last named state. The total population of Federal Reserve District No. 1—Boston—according to the fifth annual report of the Federal Reserve Board at the same date was 7,100,626, of which Massachusetts has 3,861,198

"The total of the resources of state banks and trust companies in Federal Reserve District No. 1—Boston—which are not members of the Federal Reserve System as of December 31, 1918, is approximately 493,000,000

(See tabulations pages 26 and 27 fifth annual report Federal Reserve Board.)

Total resources $2,430,914,000

"The total of the resources of the 19 chartered banks of Canada on the 31st of December, 1918, as per return published in the Canada Gazette was $2,689,835,181

In this total the resources of the trust companies in Canada are not included, but if added for the purposes of comparison to the resources of the Canadian chartered banks of banking resources in Canada per capita would approximate banking resources per capita for Federal Reserve District No. 1—Boston—which is practically, as already stated, New England.

How grossly inaccurate the statement of the chairman of the board of directors of the Waukesha (Wis.) National Bank is, that the banking power of Canada approximates that of Massachusetts, will be seen from the foregoing.

Reliable statistics are not available for testing the second statement of relative losses to depositors in banks in the United States and Canada. It is to be observed that even Mr. Frame does not include State Banks in his comparison. The gross inaccuracy of the preceding statement, which was so easily capable of verification, throws grave doubt upon his statement with regard to comparative losses.

Mr. Frame makes an incorrect assumption when he infers that branch banks in Canada have to refer loans of $500 or over to head office. The assumption which Mr. Frame virtually makes in this connection in order to reach his understanding as to 'why the progress of Canada is seriously paralyzed' is on par with his first statement as far as accuracy is concerned. The amount which a branch office in Canada can loan without consulting head office depends upon the importance of the branch. Loans are made every day, in Winnipeg for example, by officers of banks whose head offices are in Toronto or Montreal, without reference to head office, for amounts which would exceed the paid up capital of hundreds of national banks in the United States.

If Mr. Frame desires to build up a case against branch banking and the exclusion of banking competition from Waukesha he would do well not to misrepresent the Canadian banking situation in his attempt.

MILWAUKEE BANK MERGER

First National and Wisconsin National are Now One

MILWAUKEE.—Consolidation of the First National Bank and the Wisconsin National Bank, under the name of the First Wisconsin National Bank is now effective. This big banking institution is located in the new First National Bank Building. The merger bank starts in with total resources around $100,000,000.

BANKS ADOPT NEW PUBLICITY METHOD

War-Time Advertising Experience Having a Direct Influence

Bank advertising is a matter in which branch managers are more or less directly interested. It has no doubt come to the attention of many readers of this page that recently the "copy" being used by a number of Canadian banks has departed from the old conventional "card" to present "selling arguments" on service. This, according to A. G. Schlater, manager of the statistical department of the Union Bank of Canada, is a reflection of war-time experience. The subject is interestingly dealt with in the July issue of Associated Advertising by Mr. Schlater under the title "Why Banks Broke Away from the Old Style Advertising."—J. W. T.

The war and the experience springing from it brought to each of us a more vivid appreciation of the community of interest that links all parts of the civilized world together. It gave us a new sense of the common duties we all are expected to carry as citizens of our native country, and showed those who did not before appreciate it that we are not a multitude of more or less self-sufficient individuals, but citizens of a world community, with a very definite set of duties as such.

The bankers of the country have benefited by this change. Service they did to the United States during the war—service which even to-day the public knows little of, and in the doing of this service they have come to a larger appreciation of their responsibilities and their opportunities.

The more progressive banks have been governed by this new attitude long enough to know that it pays. Financial advertising men who know the story are very fond of referring to a certain New York national bank—one of the oldest and best known in the country, although perhaps not one of the largest—that has within the past two or three years made particularly effective use of up-to-date advertising. This bank, when it celebrated its eightieth birthday four years ago, had deposits of only $8,000,000. Reputation it had a plenty. It was known as one of the most dignified and solid institutions of its kind in the country; but, somehow or other, in spite of its long and honorable history and the commercial and financial storms it had weathered, business did not come to it.

Drops Traditional Pride

In 1915 an energetic young man, who had made a name for himself in another field, was elected to the Board of Directors. Shortly this man became vice-president, then president. From the vantage point of the president's chair he began a complete reorganization of the bank, from staff to policy toward advertising, printed and otherwise. Without sacrificing dignity, he took organization's traditional aloofness and dropped it out of the window. That bank, as he saw it, wanted more business and it could not get it by sitting in a corner, nursing its pride.

A change in personnel, a change of spirit and an advertising campaign that took the breath of his competitors away formed the essential parts of his plan. The result of this campaign? Why, that bank, in four years, has increased its deposits from $8,000,000 to almost $20,000,000, and is growing fast.

In Canada the bankers,—trained in a school whose traditions were even more conservative than those of the bankers on this side of the line—until quite recently took much the same disdainful attitude toward advertising. This was reflected in the makeup of all their publicity. Many thousands of dollars found their way out of the bank's coffers and were charged to "advertising," but it is very questionable whether the banks ever really received any return for their money. It was hardly to be expected that they would. Neither their printed matter nor they copy they used in their advertising was designed to get results. The men who wrote them and the banks who paid them did not believe they would or could get results, and they did not.

Mission to Teach Thrift

To-day among progressive Canadian bankers this view of advertising is no longer held. As with United States bankers the war awakened them to a new understanding of their opportunities and a new appreciation of the fact that only through carefully designed advertising can they hope to inculcate the thrift that means more business for them and greater productiveness for the country with which their fortunes are so intimately bound up.

During the war they did yeoman service in teaching thrift. When I state that in April, 1919, the total bank deposits in the Dominion of Canada, a country with a population of 8,500,000, in the throes of industrial and commercial readjustment at the close of a five year war, were $1,730,600,000, or approximately $203 for every man, woman and child in the country, and $159,410,000 more than they were a year before, you can see why Canadian bankers to-day believe that advertising gets business. True, some of the increase in Canadian thrift is due to Government thrift publicity, but a great part is due to the work done by the Canadian banks.

The Union Bank of Canada is one the management of which possesses a very modern conception of the function of advertising in a present day banking business. Its belief in the power of carefully designed advertising to get more business is based upon the experience gained in the office of its New York agency during a period of two years. When that agency was established early in 1917 it was determined by the management to carry on an advertising campaign of a more or less experimental nature, to test out the business building possibilities of an advertising campaign of limited scope. Being a foreign bank, and as such being forced to transact a business which was confined to a great extent to the buying and selling of exchange, the man who was at that time in charge of the advertising department was faced, first of all, with the problem of deciding upon what ground he could make his appeal to the public, and, second, what form this appeal should take. He was not in a position to offer the facilities that an ordinary American bank could offer.

Finally it was decided to advertise the foreign exchange department of the New York agency. This was done by featuring in the copy inserted in the newspapers and the financial journals the intimate knowledge the officers of the bank possessed of Canadian and American conditions and the importance to the prospective buyer or seller of exchange of the fact that the bank had branches from the Atlantic to the Pacific in Canada and was thus in close touch with Canadian affairs. In addition to this it was decided to "sell" Canada to the American public, but to keep the American exporter, importer and investor very prominent in the foreground of the copy writer's mind.

New Plan Successful

Week after week readers were told of the wealth of Canada, of its immense undeveloped natural resources, of the progress the country was making, and of points in its business, financial and industrial system which it was believed would interest the American business man. This gave splendid returns. Judging from the inquiries traced directly to advertising the public was very much interested in the copy published. Investors of the United States were becoming more and more interested in the possibilities of Canada. They quickly took advantage of the facilities of the statistical department the Union Bank of Canada had established in New York city.

Encouraged by this experience early this year, the management decided to make use of the knowledge gained by the New York agency in the conduct of the bank's advertising in Canada; for, while the bank had been spending many thousands of dollars annually for many years in advertising in Canada, no carefully thought out plan of advertising had ever been carried out in Canada.

J. H. Hodgins, who had been in charge of the advertising and statistical department at the New York agency, was accordingly transferred to Toronto, with power to organize an advertising department and to coordinate and systematize the bank's advertising.

A BOND DEPARTMENT

Home Bank Meets Needs of Increased Trading

In view of the increased trading activity in bonds as the result of the several government issues during the period of the war, the Home Bank of Canada has decided to create a bond department to serve the requirements of the bank's customers. The experienced head of this new department, Wm. R. Fleming, will be identified as former secretary of the Bond Dealers' Association of Canada, and secretary of the Dominion Executive Committee of the 1918 Victory loan campaign.

DIVIDENDS

Company—	Date	Rate, %	Record
Hill-Colliers, com.	July 15	1	June 30
Do, pfd.	July 15	1¾	June 30
Maple L'f M., com.	July 18	3	July 3
Do, pfd.	July 18	1¾	July 3
Tuckett Tob., pfd.	July 15	1¾	June 30
Dom. Textile, pfd.	July 15	1¾	June 30
London Loan	July 15	1¾	June 15
Bell Telephone	July 15	2	June 30
Asbestos, com.	July 15	1¼	July 1
Do, pfd.	July 15	1½	July 1
N. S. Steel, com.	July 15	1¼	June 30
Do, pfd.	July 15	2	June 30
Can. Cement, com.	July 16	1½	June 30
Dom. Linens, pfd.	July 15	3½	June 30
Loew's Theatre, pf.	July 15	1¾	June 30
Do., H[illegible], pfd.	July 15	1¾	June 30
Provincial Bank	July ..	2	June 16
Nipissing Mines	July 31	5+5	June 30
Laurentide Pow.	July 15	1	June 30
Ottawa Car.	July 18	1	June 15
West. Grocers, pf.	July 15	1¾	June 30
Dom. Power, pfd.	July 15	3½	June 30
Bank Nationale	Aug. 1	2½	July 15
Imp. Bank	Aug. 1	3	July 17
Steel of Can., com.	Aug. 1	1½	July 10
Do., pref.	Aug. 1	1¾	July 10
Standard Bank	Aug. 1	3¼	July 19
Merchants Bank	Aug. 1	3	July 15
Dom. Coal, pfd.	Aug. 1	1¾	July 12
Penmans, com.	Aug. 15	1½	Aug. 5
Hollinger M., com.	June 17	1	June 7

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

Dominion of Canada
5½%
Victory Bonds

CANADA War Bonds are one of the world's best investments. The interest is high, while the security is absolute.

We have facilities that will interest every prospective purchaser of Victory Bonds.

A person with $100 for investment may be more in need of sound advice than the $100,000 Investor. We welcome both.

THE
NATIONAL CITY COMPANY,
Limited

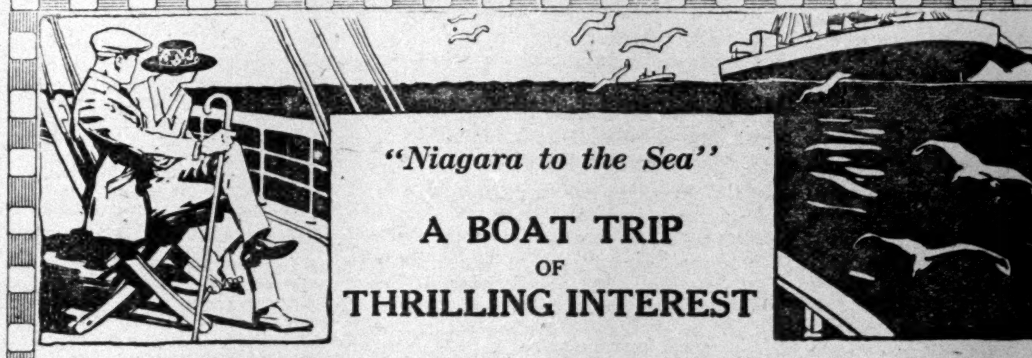
10 King Street East,
TORONTO
Tel. Main 623

74 Notre Dame Street West,
MONTREAL
Tel. Main 8480

Bonds for Investment 16

WE OWN AND OFFER
$2,500,000
4% GOLD BONDS
OF THE
PROVINCE
OF
ONTARIO
MATURING MARCH 1st, 1926.
INTEREST MARCH AND SEPTEMBER
PRINCIPAL AND INTEREST PAYABLE IN GOLD
TORONTO, NEW YORK AND LONDON, ENG.
AT 93.31 AND INTEREST
YIELDING 5.15%
WE HIGHLY RECOMMEND THIS BOND.
Consult Your Lawyer or Banker on This Investment

Æmilius Jarvis & Co.
Members Toronto Stock Exchange
Direct Wires to Montreal, New York and Chicago
JARVIS BUILDING, - TORONTO



"Niagara to the Sea"

A BOAT TRIP
OF
THRILLING INTEREST

The route is one of wondrous beauty—the boats are floating palaces, providing a new experience in travel de luxe.

Through the kaleidoscopic beauty of the far-famed "Thousand Islands," winds this route of scenic enchantment. Then it traverses the River Rapids of the St. Lawrence—the "shooting" of them is an experience that charms and exhilarates.

Then comes the quaintly interesting city of Quebec—rock-bound, and reminiscent of old-world cities.

The final entrancement of the trip is found in the canyon of the River Saguenay—where the boat steams slowly past Capes that tower higher than the Rock of Gibraltar.

1,000 miles of scenic splendor—each day of it so wonderful that you'll marvel why anyone ever went across the Sea for scenery when this vacation route is so readily accessible, and at so moderate a cost.

Information at any Ticket Office or at any office of Canada Steamship Lines. Ask for illustrated Booklet.

THE WATER LINK BETWEEN EAST AND WEST
Break the long land journey; travel by boat from Sarnia to the "Soo", Port Arthur or Duluth. Write for particulars of Upper Lake Cruises through the Great Unsalted Seas.

At Murray Bay and at Tadousac (both on the route of the Saguenay trip) fine summer hotels are conducted under Canada Steamship Lines management.

CANADA STEAMSHIP LINES LIMITED
46 YONGE ST., TORONTO
VICTORIA SQUARE, MONTREAL

THE FINANCIAL POST

President - - - - JOHN BAYNE MACLEAN
Manager - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

ADVERTISING RATES:
Single insertion ....$ 2.10 per inch.
Yearly insertion ....58.25 per inch.
Financial Reports, Debenture Notices, etc., 15c per agate line.

SUBSCRIPTION PRICE:
Canada and Mexico ....$3.00 per annum.
United States .... 3.50 per annum.
Great Britain, Ireland and Colonies having minimum postal rates .... 12s. 6d.
France and other Countries .... 16s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

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TORONTO, JULY 12, 1919

DEFENDING INVESTORS' RIGHTS

WHEN Hon. W. S. Fielding, in opposing the Sir Adam Beck inspired effort of the municipalities to have the charter rights of the private development companies at Niagara legislated out of existence, said that "the really vital question is a matter of public faith," he struck the keynote of the situation. Mr. Fielding, who is regarded as one of the most sane, experienced and far-seeing of Canada's public men of the present day, effectively dealt with the issue as follows:—

> It seems to me that really the vital question is the matter of public faith. I think we are not concerned about this particular company, but I appeal to my hon. friend the Minister of Finance to agree with me when I say that we are concerned to keep faith when we pledge ourselves to a charter in this way.. I do not care—if you like I will admit—that the charter granted in 1902 was unwise and improvident, and that we would not grant it to-day. Nevertheless we granted that charter, and although it may have been improvident, although it may have been unwise, I say it we are going to proclaim to the wide world that a charter which the Parliament of Canada gave to a body of men, and on the faith of which they invested their money, is not to be respected by this Parliament, then we do a great wrong to the public of Canada. I do not care about the interests of the company, but I say that every man who has occasion to go to the money market of the world for a private enterprise, or a corporation enterprise, or a municipal enterprise, or a provincial enterprise, aye, or a Dominion enterprise, has an interest in seeing that the public faith in charters granted by this Parliament shall not be destroyed. That is the question. Are we going to treat our charters as scraps of paper? What have we been fighting for over in Flanders and France? We have been fighting against the Prussianism which tore up a treaty and said it was a "scrap of paper." Do not let us tear up charters which this Parliament of Canada grants. If we made a mistake, it is our fault: it is not the fault of the men who got the charter. At a time when credit, private and public, municipal, provincial or Dominion, is so important we should do nothing to impair it. I beg the Parliament of Canada, if this question is open to us to-day, to vote in such a way that we shall maintain the rights granted to a company by a solemn charter.

Such a statement by such a man as Mr. Fielding effectively disposes of the insidious arguments used to arouse nation-wide opinion in support of public rights. The impression was created that the highways from coast to coast were menaced, whereas as a matter of fact the rights of the private companies at the Falls are being so effectively curbed in every direction by Beck legislation in Ontario that they are now actually fighting for their very existence and the property of the pioneer investors involved.

The Senate in its firm stand for individual rights, for the protection of the property of the minority against the confiscatory efforts of a misguided majority, has taken the only stand possible in the interpretation of Canadian constitutional law in accordance with the principles of British justice.

A DUTY OF THE COURT OF COMMERCE

THE report of the Cost of Living Committee came as an anti-climax to the sensational reports of the hearings which were carried by the great majority of newspapers. There was nothing whatever in the conclusions arrived at to justify the charges direct and implied which were made through misconstruction and manipulation of the evidence submitted. That there had been large profits was never denied; that these profits had been made through questionable methods or by gouging the public was entirely another matter.

The Court of Commerce should not only interest itself in investigating alleged attempts to overcharge, or secure excessive profits, or manipulate prices to the disadvantage of the public, but it should at the same time endeavor to educate the public to an intelligent view of business, in all its ramifications, from the manufacturer to the consumer, covering the wholesaler and the retail merchant.

Even the fundamental principles of business seem to have been lost sight of during the hearings before the Cost of Living Committee. A glaring instance of an unfair impression towards the retailer was the case of the shoe dealer who said he bought stylish shoes for women at $12 and sold them at $18. There was a suggestion by counsel that if he could not get $18 for them he would have parted company for $17. (A violation of an almost general principle now of One Price for All). At once the papers headlined the horrible news of a FIFTY PER CENT. PROFIT FOR THE RETAILER!

It was nothing of the kind. In the first place, the merchant figures all costs in terms of the selling price of goods, so that the $18 price would represent 33 1-3 per cent. on the selling price. From this there must be deducted the cost of selling; the rent, insurance, the very expensive delivery costs for an exacting public; and heaviest cost of all, the wages for his clerks. These run anywhere from 20 to 25 or 28 per cent, for such a store, leaving the net profit a comparatively small amount. If it is of any interest at this point and at the risk of shocking the public, it might be mentioned that the average milliner has found it necessary to sell goods at double the original net cost—or 100 per cent. advance!!—and yet the average milliner does not make a fortune even on a large turnover. So heavy is the waste through the rapid changes of fashion almost overnight.

But if the public is to be able to judge conditions of merchandising as well as manufacturing intelligently and fairly, the new body should add to its programme a study of the whole system of the distribution of commodities including costs and net profits; and keep the public informed as to its findings. This in turn would be of great value to merchants themselves in providing a standard to work towards. Such investigations have been carried on in the United States by such bodies as the Research Department of Harvard University, and with very beneficial results.

THE PRESS AND THE TARIFF

STEWART LYON, the Glasgow socialistic editor of the *Globe*, complained at a meeting of Canadian editors that the big daily papers were hindered in the expression of their views by the influence of the big departmental store advertisers. But there are many evidences that the smaller dailies and rural weeklies refuse to be dictated to by anyone and are fearless, frank and honest in the expression of their views. Their papers are edited from the readers' rather than from the advertisers' standpoint. Hal Donly, the sturdy editor and proprietor of the *Reformer*, of Simcoe, Ont., expresses himself quite strongly in a recent issue on the tariff question. Though the *Reformer* is a Liberal paper, Mr. Donly says:—

> Seven years ago, when the question was last debated in the annual convention of the Canadian Press Association, the editor of the Reformer both spoke and voted against any request being made to the Government for free newspaper presses. Moreover, the Reformer has never been able to see why newspapers should not pay their own way through the mails. Holding these views in regarding to the publishing business, we feel guilty of no inconsistency when we suggest that the users of farm machinery pay, as everybody else should, their fair share of customs taxation.

SERVING THE INVESTOR

WHEN THE FINANCIAL POST stated, in connection with the Standard Reliance collapse, that it did not come as a surprise in the financial world and intimated that those who had knowledge of the company's affairs were aware that its position was precarious and had been questionably sound for some years, there were undoubtedly those of our readers who at once asked the question as to why we had not issued a warning (in print) which would have permitted investors to get from under. The explanation is simple. So long as the company continued to float it was in the best interests of all whose funds were concerned that no general alarm should be raised. While there was a hope of weathering the storm any alarm would only have had the effect of starting a panic which would not only have, perhaps unnecessarily, endangered all, but would have prevented the taking of necessary measures to permit salvage to the best advantage. The wreck can now be brought to port.

Any other course would have meant scuttling the craft and taking to the boats.

The responsibility for the Standard Reliance collapse lies with the promoters and with the Provincial Government. With the organizers because they ventured into highly speculative real estate undertakings which would be shunned by conservative mortgage companies, with the Attorney-General's department because with competent regulation the directors would never have been allowed to put such a large proportion of the company's funds into these projects.

The company found itself in difficulties when the war completed the collapse of speculative realty values. Since then every effort has been made to put it through. The Lawrence Park sale removed the last hope. There is no criticism of the Government or the directors forthcoming for their handling of the company's affairs since the war revealed its precarious position—except that the sale of debentures might have been stopped or the funds thus raised ear-marked in investors' interests. Condemnation must be borne by the original promoters and the Government officials who did not curb their operations.

The Standard Reliance affair like the Dominion Permanent emphasizes the necessity for practical regulation by the Government of loan company operations. It is not so much a question of legislation as it is of applying that legislation intelligently. Elaborate, complicated and expensive returns are not in themselves effective unless there is employed by the Government a competent, practical official with an understanding of loan company business which will enable him to interpret such reports intelligently. Such a man would at once have seen the danger of investments involving a large portion of the companies' assets in speculative real estate or doubtful transportation schemes.

EDITORIAL NOTES

"WHY is it," asks the London *Free Press*, "that some people feel that the high prices for what they sell are right, but high prices for what they buy are wrong?"

* * *

PETER McARTHUR says: "Any man who increased his wealth during the war is a profiteer and a traitor to the higher motives of the war." To which we would add that any farmer—and we understand that Peter is one—who did not increase his wealth during the war—is a darn, poor farmer.

* * *

THE attention of the Toronto *Globe*, which supports the "scrap of paper" attitude with regard to the charter rights of private corporations, might well be directed to the statement of Hon. W. S. Fielding on this subject—printed on this page.

* * *

IN ridiculing the efforts of Mayor Church of Toronto to help North Toronto settle the Metropolitan Railway tangle, the Ratepayers' Association declares:

> Sir Adam Beck himself was more frank than his henchman, Mayor Church, when he admitted that his solution was only a club to fight Mackenzie and Mann and confiscate their property. The solution, in regard to which Mayor Church's personal share seems to be rather obscure, was a standing joke to every citizen of North Toronto who was old enough to understand the mechanics of a wheel-barrow. Mayor Church, so far as North Toronto is concerned, has blocked time and again the real solutions which would have ended the trouble. We have yet to learn that Mayor Church made any effort to obtain any legislation to straighten out the confusion created by the Hydro interference with the transportation problems of North Toronto.

FIELDING BEING PICKED FOR LIBERAL NOMINATION

The Financial Post's Ottawa Correspondent Sees Him as the Probable Selection of Convention

OTTAWA.—Whoever may be chosen as the leader of the Liberal party at the coming convention at Ottawa, the Hon. W. S. Fielding will at least go there with the prestige of being the nominee of what our American friends call "an instructed delegation." At one of the Ontario conventions to choose delegates to attend the Ottawa convention,—Midland, I think it was—Mr. Fielding, and no one else was the name given to the delegates to support. The farmers, the business men, and the party generally in the country are coming to think that way.

During the past few months there has been a very pronounced change in the attitude of Liberals in the House of Commons toward the Laurier minister of finance. and author of the British preference. His speech on the McMaster amendment in March was a disappointment. Not that it was lacking in any of the particulars which go to make up a great speech; Fielding is very rarely disappointing in this respect; and to the galleries, which are not so much concerned with matter as with form, he is always an attraction. But it was more like two separate speeches, delivered at a much greater interval than actually occurred; because the two parts of this speech were delivered before and after six o'clock, and the second seemed to confound the first.

Just after that speech, it is only the truth to say that his stock was pretty low with the Liberal party in the House. In the afternoon, they cheered him wildly and in the evening they sat dumb and dumbfounded. If he had talked frankly to the government in the morning, he was no less frank to the opposition in the afternoon. He said that the "light in the window" style of getting together did not appeal to him; and he further pointed out—what will be well for the Liberals to bear in mind at the approaching convention, that unity in the party is not to be brought about by the men of either section calling names or throwing rocks at the other. He deprecated any attempt to defeat the government that time, and said that no vote which he should give should have that for its object. In voting against the McMaster amendment he followed the proper course. Had the Government been defeated on that amendment. the burden of embarrassment would have been on the opposition.

Fielding's Qualifications

Since that time the Liberals have come to recognize that Fielding is far and away the wisest political head in the house. No one there can approach him in political experience, nor in how best to turn it to account. The big leaders are courteous; and their invariable courtesy is the best weapon of defence they have.

Because the extremists in the Liberal party make the most noise, it is a mistake to suppose that they have the most influence. When two or three hard-shell party men get together, they are very assertive, and swear they will not move a finger to attract the Liberal-Unionists back, or to welcome them if they come. If that element controls the convention it will be a bear garden, and drive the Liberal party into political bankruptcy.

Neither must it be assumed that the low tariff extremists of the West will exert an influence commensurate with the noise they make. If they ever hope to accomplish anything, they must surely see by this time that it will have to be done within the bosom of one or other of the old parties. Sitting lonely on the cross-benches gets them nowhere. All their sympathies and affiliations should certainly be with the Liberal party, which went to defeat advocating the Western idea. Yet it is said that a good many who were formerly Liberals will remain aloof from the Ottawa convention.

Generally speaking, the West is friendly to Fielding; and there is no part of Canada from which he will not draw support. Quebec is said to have some old grudge against him. so far back that no one remembers very definitely what it is about; but during the latter part of the session of parliament the feeling towards him in that quarter had improved

On the tariff he is, and always has been, sane and sound. And on their own statements, there is not much to choose between the parties to-day, when we find Sir Thomas White claiming in the House that he has gone as far in reducing the tariff as the reciprocity pact went.

A Question of Age

I have heard this question of the leadership of the Liberal party discussed a good deal around the House of Commons and in different parts of Canada during the past six months; and the general consensus of opinion is that Fielding is the best bet of the Liberal party. All criticism of him finally gets back to the one point: he is too old for leader. There is a rough dictum, supposed to be scientific in its origin. which says that a mon is just as old as his arteries. Perhaps it would be a truer standard of youth to say that he is no older than his step. An old printer, who used to work on the Halifax Morning Chronicle when Mr. Fielding was on its editorial staff, told me once: "We always knew his step coming upstairs; he ran up." His step is as quick, his mind as active, and his powers apparently as great as ever they were. There is no man in the House who shows more vigor, and though he is six years older than the present premier, he has always been able to stand the strain of parliamentary life better.

Of one thing there need be no doubt; if Hon. W. S. Fielding becomes leader of the Liberal party, there will be no doubt of the sentiment of the party on the matter. The honor will not come to him as the result of any undignified scramble on his part for it. It is doubtful if he has any great ambition for the position. and certainly would not accept it unless he felt that he had the party solidly behind him. The party seems to be veering that way now. T. M. F.

TO DESTROY PRIVATE ENTERPRISE

Imperial Commercial Association Strongly Opposed to British Legislation

LONDON.—The Imperial Commercial Association regards the Coal Mines Commission, the Ways and Communications Bill, the Electricity Bill and the Ministry of Supply Bill are all measures aimed at the destruction of private enterprise. A statement issued to the members in calling a meeting of protest says:

> There has been no mandate from the people upon any of these vast schemes for setting up huge State Departments vested with powers that will inevitably bring about unemployment, stagnation and starvation. These measures mark the surrender of the Government to a demand from labor for the right to command capital and industry. Labor believes that with command of capital it can reduce hours, increase wages and limit output.
>
> "This is, in truth, the straight path to economist suicide. Unless the business people of the country insist and demand that these measures shall not be rushed through a tongue-tied House of Commons, the gravest results may be apprehended.
>
> There is a desire on the part of many persons in responsible positions to avert what might be a serious unemployment difficulty by not only maintaining many of the huge overcrowded useless departments already in existence, but by creating others for the purpose of absorbing tens of thousands of men. There is a regrettable lack of courage in facing the whole situation, and the bureaucratic solution contained in the measures now before Parliament is the most harmful panacea that could be devised. It hands controls valued at hundreds of millions of money over to the party in power. It confers upon political parties the right to use the public funds for political and party purposes. It stands for corruption in politics and stagnation in trade. The experience of the past four years has taught us that the sooner the Government lets trade get back to normal, the better it will be for the country.

LIVED ON "WRITE-UPS" AND DUMMY ADS

Some Financial Publications Are Built Up on Fake and Graft

Publications built upon graft and fake are not so common as they were some years ago, but evidence crops up every once in a while that indicates that some still flourish. One of them has recently been reported on by the National Vigilance Committee.

An investigation made by Richard H. Lee, special counsel for the Associated Adertising Clubs, showed that the *Mercantile and Financial Times*, of New York, was a publication whose managers lurked on the dark side of the street. The issue of May 3, 1919, marked "Vol. XLIV, No. 18, Established 1875," announcing that it was published every week, that Charles Newman was its editor, W. G. Hanson its business manager and Frank McLean its Chicago representative, contained thirty pieces of advertising.

Inquiry disclosed that every piece of advertising had been published without either the knowledge or consent of the individual or firm whose name appeared in the advertisement. One is in bankruptcy and another has been out of business since 1916.

In an interview with Mr. Lee, Mr. Hanson admitted that the copy had been taken from financial papers, that in no case did the paper even seek the consent of the advertiser before publication, and that none of the advertising was paid for or would be paid for.

Mr. Hanson admitted that the paper was published to sell what purported to be the editorial opinion of the paper. In the number in question he pointed out three articles printed for that purpose, none of which bore any mark that would identify it as advertising. All were paid for by persons desiring publicity through the purchase of copies of the paper at from 10 to 15 cents a copy. The balance of the supposed editorial comment was taken largely from information sent out by the United States Government.

On the face of it, the paper presents a front that convinces the casual observer it is a magazine of responsibility and standing. Fake promoters use publications of this kind, paying for laudatory articles and then showing them to prospective victims, saying: "You know what an endorsement by a magazine of this excellent character means."

CURRENT OPINION

Under this heading are published, for the information of our readers, the views of leading newspapers and individuals.

Their reproduction does not imply their endorsement. On the contrary, the investigations of THE POST'S editors often lead to entirely different conclusions from those quoted below.

NORTH DAKOTA COMMITTED TO SOCIALISM

Commercial West

The voters of North Dakota, in the referendum election held last week, approved of Townley's socialistic program, though the majority was very small. Nearly one-half of the people of North Dakota are now opposed to Townleyism, as the vote stood 56,000 for and 50,000 against Townley. The big majority for Townley recorded at former elections was heavily cut, and some fifteen counties voted against him. Yet his appeal to class prejudice still has its effect, and he can now go ahead and try to bring about his financial and industrial millenium.

Possibly it is for the best that this try out of Socialism as proposed by Boss Townley, should be made at this time in North Dakota. The experiment will be on a comparatively small scale as North Dakota has around a half a million population. When the farmers of that state have had time to discern the effects of state socialism and discover no benefits, but see only costs that are very burdensome, it will have a sobering effect on the farmers of other Northwestern states, who have been disposed to listen to these Non-partisan league exhorters.

Townleyism, as expressed in a state-owned bank, grain elevators, flour mills, packing plants and distributing houses, can now be put in operation, and the scheme tested out, and if it does not work the people of North Dakota cannot say they have not been warned. They have had ample warning by public speakers, and the independent press, and even in some farm journals, though most of such publications have been very mum on this subject.

When North Dakota farmers wake up and see where the Socialists are leading them and face the bill of expenses that they will be called upon to pay, maybe they will begin to apreciate who are their best friends; sane, successful businessmen or crazy bankrupt Socialists. At any rate the majority have decided to try socialistic schemes on a large scale. If they find the league slogan "We stick" is finally revised to read, "We're stuck," they have only themselves to blame.

As Others See Us

Toronto "Sunday World."

Col. J. Bourbon Maclean in the Financial Pest

The senate is the only public body in Canada which has shown that it does not fear Sir Adam Beck.

* * *

The Senate and the Government, backed by the courts and the Privy Council, are standing firmly against a strong current of public-ownership opinion.

PERSONALS

DR. FRANK A. VANDERLIP is reported to have bought the Palos Verdes ranch between Redondo and San Pedro in Southern California. It is understood he will spend several weeks there and may lay plans for the establishment of an extensive millionaire colony.

S. E. ELKIN, M.P., who has been elected to the directorate of the Park-Union Foreign Banking Corporation, is the newest member of the Union Bank of Canada directorate, having been elected to a vacancy on the board last year. Mr. Elkin, immediately identified with the Maritime Nail Company, is interested in many other important enterprises.

JOHN F. DULLES, formerly a member of the law firm of Sullivan & Cromwell, New York, has been placed in charge of the American interests on the Reparations Commission, according to Paris advices, pending the ratifications of the treaty and the appointment of a permanent American member of the commission. Mr. Dulles succeeds to the work accomplished by Thomas W. Lamont, Bernard Baruch and Vance McCormick, all of whom sailed for America on the President's ship. Benjamin F. Strong, of the Federal Reserve Bank, and Frederick Strauss, of Seligman & Co., bankers, are two other names that have been mentioned. Financial men as well as the diplomats consider the job as outranking even a Cabinet post in importance for the next few years.

July Investments

Security	Yield
DOMINION OF CANADA War Loans, all issues	At market
PROVINCE OF BRITISH COLUMBIA 4½% bonds, due 1st July, 1926	5.35%
PROVINCE OF ALBERTA 4% debenture stock, due 1st Nov., 1922	5.50%
GRAND TRUNK PACIFIC Guaranteed by the Dominion of Canada, 3% bonds, due 1st January, 1962	5.20%
CITY OF TORONTO Guaranteeing Toronto Harbour Commission, 4½% bonds, due 1st September, 1953	5.20%
CITY OF CALGARY 4½ bonds, due 1st October, 1937	5.75%
CITY OF MEDICINE HAT, ALTA. 5% bonds, due 1st January, 1934	5.80%
CANADIAN NORTHERN ALBERTA RY. Guaranteed by Dominion of Canada, 3½% debenture stock, due 4th May, 1960	5.15%
PROVINCE OF SASKATCHEWAN 5% bonds, due 1st October, 1925	5.35%
PROVINCE OF ALBERTA 4½% bonds, due 1st February, 1924	5.38%
CORPORATION OF POINT GREY, B.C. 5% bonds, due 1st August, 1959	5.75%

In addition to the above government and city bonds we also have attractive odd amount bonds of towns and villages.

We invite inquiry and shall be glad to supply full particulars on request.

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Established 1889

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

DUTY ON TRACTORS

B.G., Regina—Do you think the Government will put the duty back on small tractors (under $1,400), if so, when? Will this be done by order-in-council, or how?

There seems little likelihood of the Government putting the duty back on small tractors; certainly not until after the tariff investigation which the Minister of Finance has indicated will be held some time this fall, probably before the House meets for the fall session.

When the matter is dealt with it will probably be in the next revision of the tariff, which is very likely to take place at the October session of Parliament. There has been such a strong complaint from the West over the slightness of the concessions in this year's budget that it would be very hard to add to the dissatisfaction by taking back any tariff favors already granted.

It is probable that in the early autumn an investigation into the tariff and its incidence will be made all over Canada, when the question of agricultural implements will certainly be thoroughly gone into, as it is one of the most urgent demands the West is making.

ROBERT SIMPSON CO.

D.M.P., Toronto—The Robert Simpson Company is offering 6% cumulative preferred stock at 80. Would you consider this a good, sound investment?

The issue of Robert Simpson Company 6% cumulative preferred stock proved to be one of the most attractive investment propositions which has been offered to the Canadian investing public in recent years. The total offering of $500,000 was all disposed of on the first day, and such was the demand and interest shown that the price immediately moved above 80, and transactions are now taking place around 85. At the prevailing quotations at which there does not seem to be any general disposition on the part of holders to sell the stock still shows a return of better than 7% and, has, therefore, still some attractions in the present market.

LITTLE HOPE FOR THESE

S.K., Alberta—Please inform me what value, if any, can be attached to the following shares:—Four shares Chicago-New York Electric Air Line, $25 each; ten shares Collins Wireless Telephone Co., $1 each.

The Collins Wireless Telegraph Co. was dissolved in 1904.

The Chicago New York Electric Air Line Railroad was a promotion of Burr Bros., who were raided by the Post-office authorities on November 21, 1910, for fraudulent use of the mails. This stock is probably worthless.

MINING STOCKS

A.L.R., Montreal—"Would you please give me information about the following: Evening Star Mines, Monte-Christo Consolidated Mining & Development Co., the Big Four Consolidated Gold Mining Co. and Rathmullen Mines, Limited, Rossland, B.C.; Dominion Consolidated Mines Limited, Fairview, B.C., and Dufferin Gold Mining Co., Nova Scotia.

Evening Star Mines, Rossland.—So far as the provincial department of mines is concerned, the company is still in good standing. The mine has not been operated. however, for a good many years. The property is presumably the only asset, and its value is problematical.

Monte-Christo Consolidated.—This company was struck off the list of companies doing business in British Columbia on March 3, 1913, and is dead.

Big-Four Consolidated.—This company is still on the books of the Registrar of Companies, but has not operated for years, and is in about the same position as the Evening Star.

Rathmullen Mines, Limited.—This company was struck off the books in April last. It has not operated for years.

Dominion Consolidated Mines, Fairview.—This company was struck off the books last year. It has been inactive for a long time.

Dufferin Gold Mining Co., Nova Scotia.—This company is the lessee of gold mining areas in the district of Salmon River. The annual rentals payable to the Mines Department have been regularly made by the company, but the last return on actual mining operations was made ten years ago.

UNLISTED BONDS AND STOCKS

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VAST CREDITS ALONE CAN PREVENT AN INDUSTRIAL AND COMMERCIAL TRAGEDY IN WAR-RIDDEN COUNTRIES

Continued from page 1.

German industries and the industries of other countries may have absorbed their markets.

In picturing the devastating effect of war on European industry, however, one must not confine the view to the Hindenburg line. There were great industries in Poland completely destroyed. In East Poland there is a tract of land 200 miles broad and 400 miles long where the Russian armies decided so to devastate the country that the German armies could not follow them. There the houses were of wood, and all were burned. The Russian army endeavored to evacuate the country of the whole population, and the population started toward Russia in advance of the retreating Russian army.

The retreating Russian army travelled faster than the refugees and marched through them. Then the pursuing Germany army pressed on and marched over these people. They were left without food, clothing, or shelter. Four hundred thousand starved. To-day that great territory, the size of Kansas, is barren and without means of sustaining life. The industry of Warsaw was systematically sacked, as was that of most cities on the eastern front.

As one moves further south the situation becomes little better. Few cities in Europe have had to endure a more terrible fate of starvation than Prague. In Hungary, Bolshevism has done what Militarism failed to do. In Roumania, a purely agricultural country, there were left almost no cattle or farm machinery. Both in Poland and in Roumania not over one-third of the fields will be planted this year. Roumania is one of the great sources of grain exports to other countries of Europe. Her exportation prior to the war was 100,000,000 bushels, including wheat, barley, rye, oats, corn and millet. The Premier of Roumania told me that under the best crop conditions Roumania would be able to raise this year only a sufficient amount of food for her own population. Serbia was utterly despoiled. There is choice irony in her railroad statistics. After the armistice there were nine locomotives in Serbia.

This horrible story of destruction, however, I speak of only to minimize its extent by comparison. Vast as has been the field of destruction, these devastated areas are but scars on the face of Europe, and in the main the great intricate, complicated industrial machine of Europe was stimulated and expanded by this war which was so truly a war of industries. If it were possible to show the exact percentage of the industrial life of Europe which has been sacrificed with shell, bomb, and incendiary torch it would be seen that the destruction, vast as it is, bears no overwhelming relation to the whole.

Why, therefore, should not these industries which have been unharmed be set going at a speed they never knew before in order to meet the insistent demand that the illimitable needs of Europe may be expected to create, The fact is that in the face of these illimitable needs the industry of all Europe stands paralyzed. What is it that has laid its hand on industry and at the moment when industry's products are needed as they were never before needed in the world, has put out the fires, turned off the power, and left industry idle?

The answer cannot be made in a sentence. There is a tragic combination of difficulties that has brought this about. I will try to enumerate a few of these, and let any American manufacturer try to imagine his plant faced with such a series of difficulties and answer if he too would not have found them too great quickly to surmount. Let us pass by the case of these industries in the devastated districts. Obviously their situation alone makes an early restoration of work quite out of the question. Let us take as an example an unharmed industrial plant in any place located in the interior of any one of several countries. We must first recollect that domestic transportation is broken down. This is substantially true of all Europe. It is literally true in many districts, but even where the service is best days and weeks are consumed in moving freight short distances.

Then the factory must have raw materials, and in most cases these materials must come from outside the country. Over great regions a military embargo still continues and raw material could not be shipped if it could be obtained. To obtain it there must be arranged in many cases ocean transportation, and ocean tonnage is so scarce that ships sometimes make half their pre-war value out of the receipts of a single round trip. But if tonnage can be secured and military embargoes do not interfere, there is then the difficulty of exchange and the practical impossibility of credit. All the Continental nations are controlling imports with a strong hand because every ton of material that is bought outside of the country increases the difficulties of the Government in handling the foreign exchange situation.

So the manufacturer must first obtain an import license, which is always a tedious process and frequently a difficult one. After he has permission to import raw material he must secure the foreign funds necessary to pay for it. Suppose he has done all this and has surmounted the difficulties of ocean and land transportation; he is then ready to start his mill. It may be, if it is located in Italy, for example, that he can get no coal. In any event the price of coal and the difficulty of getting it regularly, together with the difficulty of transporting it in sufficient quantities, will be a serious handicap.

Then comes the labor situation, and although every manufacturer is surrounded by idleness, in few cases is his labor market favorable. If his product is one that requires special skilled labor he finds that his former labor force has drifted away and is difficult to replace. Always the increased cost of living and the idea which is universal that labor shall have in the future a larger share in the profits of production makes his new wage scale somewhere from two to three times his pre-war scale, while all over Europe the demand for a short day is adding, at least in the opinion of many manufacturers, to the labor cost of production.

But now suppose that the manufacturer has surmounted all these difficulties and has actually started the production of his product. There then comes the difficulty of his market. He again faces the obstacle of broken down transportation. If his market had previously been in the Balkans, the Near East, or countries along the eastern front, the transportation problem is at present unsolvable. The difficulties, even of transportation of mail, are unbelievably great, and bad as the mail service is, it is frequently speedier than the telegraph. This is no extravagant figure of speech; it is a plain statement of conditions that are so widespread as to be typical.

But suppose the manufacturer has at last produced his goods and has got in touch with his prospective customers. If these customers are in Spain, France, Holland or the Scandinavian countries they probably have means to pay for what they want to buy. If the customers are elsewhere in Europe the credit questions involved will be extremely serious; and so far as Poland, Lithuania, Roumania and the Balkan countries are concerned, nothing but credits will complete the transaction. The credits asked are not short. They are too large and too long for any manufacturer to undertake to carry himself. They are not of a character which permits them to be handled as banking transactions. And so there is going on a choatic scramble of the representatives of all these small countries to create credits in any form which will pay for goods they so urgently need.

Thus we see a situation where the need of goods is practically without limit, but the difficulties surrounding their production and marketing are so great that up to the present time there is a condition of idleness unprecedented in industrial history.

The picture that has been drawn of the difficulties that manufacturers are facing may seem to be extravagant and overdrawn. Not all manufacturers face all these difficulties, but the picture is not extravagant or overdrawn if taken as a general indication of the state of industry in Europe to-day. The great obstacles are the difficulties in obtaining credits to purchase in foreign markets, the inability to get ocean tonnage, the breakdown of domestic transportation, labor unrest, and throughout the great war area the destruction of machinery. Machinery, raw materials and railroad equipment are the main things that Europe needs and must have to re-start the industrial processes. To secure these it is necessary to obtain in the aggregate vast foreign credits.

I believe there can be no secure peace until the way is found to supply these credits to all industrial centres. It will not do to pick out only those districts or those industries which may seem to offer the best security, for there will be security nowhere as long as there are, here and there, plague centres in which idleness, lack of production, disorganized transportation, want and hunger make a breeding ground for the Bolshevik microbe.

CHAPTER II.

Transportation

If there were nothing else the matter with Europe except the breakdown of railway transportation, most of the European nations would still be facing a problem of gigantic proportions, the early settlement of which is not only essential to the resumption of industrial life, but is actually essential to maintaining life itself in some of the large centres. Hundreds of thousands of people have starved to death in the last twelve months in Europe. I am not using figures as it is said Lloyd George does, merely as adjectives. There is competent authority for such a statement.

This terrible catastrophe has only in part been caused by lack of food. In an important measure the disaster was directly traceable to the breakdown in transportation, to the physical inability to move stores of existing food into localities where people were dying of starvation. At one time there were a hundred unloaded cargoes of food in the harbor of Marseilles, held there because preceding cargoes were blocking the lines of transportation.

The railroads of Spain were, on the whole in much better condition than I expected to find them. In France the system has wonderfully stood the

Continued on page 15.

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NEWS OF THE BOND MARKET

MUCH COMMENT HEARD ON THE EXTERNAL LOAN

Strong Undercurrent of Criticism of Terms of the Flotation

SOLD TOO CHEAPLY

On Other Hand It is Argued That in Selling in U.S., Canada Was Competing With the World

Canada's external loan, so successfully floated during the week in New York, has been the central topic of interest among bond dealers. Its terms have been widely discussed and its relation to the domestic market carefully estimated. Opinion appears to be sharply divided on the subject. There is on the one hand a strong undercurrent of criticism of the terms which are held to be unnecessarily favorable. On the other hand, apologists for the loan take the view that it will have a salutary effect on the market by bringing about needed price adjustments.

There is no doubt that the floating of an issue of 10-year bonds, procurable by Canadian investors at practically a 5½ per cent. rate, will exert a weakening influence on the whole range of domestic bond prices. Dealers can scarcely expect to sell issues of provincial or municipal bonds at a lower yield rate and that has been largely the experience this week. In the case of Victory bonds, there has been a very decided decline in values, notwithstanding the fact that the external loan is subject to taxation when held in Canada.

A Temporary Condition

That this weakness will prove but temporary is the hope of the market. Over-subscription of the issue and an early closing of the books points to a quick appreciation in quotations. Already the price on the curb is up fractionally and with a paring down of subscriptions, it should advance still further. If this eventuates the domestic market may soon be back to its former status.

In the meantime, some dealers are doubtful as to the effect of the loan on arrangements for the next domestic loan. Unless conditions change appreciably in the interval between now and then, which seems scarcely probable, the country may be forced to float its next issue at a lower figure than would appear to have been necessary prior to the New York arrangement. Instead of a 5 per cent. issue, there may be another 5½ per cent. issue, with all that that involves in the way of reduced prices for other bonds.

Competed With World

In justification of the terms of the loan, it is argued that in floating a loan in the United States the Dominion came into competition with the rest of the world and that with other nations borrowing there, the result of the negotiations was the best that could be expected. Further, it is argued that prices in Canada have been getting too high, one result being that investors were being driven to buy more doubtful securities in order to get an adequate yield and another that a flow of bonds from the United States to Canada, instead of from Canada to the United States, was being induced. With a true basis established this current would change and there would be a resumption of the sale of Canadian securities in the United States, which would be to the advantage of Canada.

Market Cut Away

In opposition to this view, Canadian bond dealers, who claim that the market has been cut from under their feet, contend that if they had been given an opportunity to handle the bonds through their American connections, the whole loan could have been floated at a figure in advance of that obtained, which would have stabilized conditions here and prevented the slump that has accompanied the present arrangements. As justification for this they point to their service to the country, not only in floating the various domestic loans but in working to maintain their prices.

Large blocks of the issue are reported to be coming into Canada, investors on this side evincing a strong desire to secure participation in the loan. Just what proportion of the loan will thus find lodgment on this side of the line is only to be conjectured, but it has been estimated all the way up to twenty-five millions.

The issue consists of $75,000,000 part in 2-year notes due August 1, 1921, and part in 10-year bonds maturing August 1, 1929. The issue price on the former was 99.25 and on the latter 97, the yield to the United States investors being slightly over 5.90 per cent.

Principal and interest are payable in gold dollars at the agency of the Bank of Montreal in New York without deduction for all Canadian taxes, present or future, but that clause will not exempt from Canadian taxes payments made in discharge of notes or bonds owned by a Canadian subject. In other words, the bonds and notes are exempt from all Canadian taxes for American citizens owning them.

The two year notes are in coupon form, in denominations of $1,000 and multiples of that amount. The long term bonds are in denominations of $100 and in coupon form. It is probable that the two issues will be made interchangeable. The bankers handling the loan reserve the rights to reject any or all applications and to award a smaller amount than applied for in any case.

Subscription books opened at the office of J. P. Morgan & Co., at 10 o'clock on Wednesday morning and closed at 1 o'clock with over subscription.

EXTERNAL LOAN CHECKS BUSINESS

Demand for Domestic Issues Affected by Floating of Loans in New York

Bond business this week was checked by the floating of the new loan in New York, and demand for domestic issues was considerably reduced. Dealers have received a good many inquiries for the new bonds and will try as far as possible to fill orders. Meanwhile it is expected that tendering on new issues will be very cautiously handled and municipalities may find that prices have eased off appreciably. There are not many new issues in sight and dealers anticipate rather quiet times from now until the Dominion loan is floated.

Recent Awards

The town of Mimico's issue of $55,-trial issue of $17,500, 6 per cent., 10-instalment debentures was awarded last week to the National City Co., at 102.24, which is close to a 5½ per cent. rate. The following tenders were received:—

National City Co.	102.24
Aemilius Jarvis & Co.	102.17
Brent, Noxon & Co.	102.12
Housser, Wood & Co.	102.02
R. C. Matthews & Co.	101.96
G. A. Stimson & Co.	101.91
Home Bank	101.74
Wood, Gundy & Co.	101.34
MacNeill, Graham & Co.	101.27
W. L. McKinnon & Co.	101.23

The town of Mimco's issue of $55,000, 5½ per cent., 30-instalment debentures went to C. H. Burgess & Co., at par. Some of the offers received were:—

C. H. Burgess & Co.	100.00
Wood; Gundy & Co.	99.04
G. A. Stimson & Co.	98.65
Brent, Noxon & Co.	98.62
A. E. Ames & Co.	95.58

The township of Louth, which called tenders for $1,950 7% 20-instalment Hydro Electric debentures and $20,000 5½% 20-instalment school debentures, sold the first block locally and awarded the second to C. H. Burgess & Co. Following were the tenders received:—

For Both Issues	
C. H. Burgess & Co.	$22,462
R. M. Bird & Co.	22,420
R. C. Matthews & Co.	22,385
For the $20,000 Issue.	
G. A. Stimson & Co.	101.36
MacNeill, Graham & Co.	101.11
W. L. McKinnon & Co.	101.43
Wood, Gundy & Co.	99.75

Announcement was made last week of the placing with the National City Co., of $25,000, 5½ per cent., 20-instalment debentures of the Township of Lancaster. The complete list of tenders submitted has since been announced:

National City Co.	101.520
R. M. Bird & Co.	101.028
MacNeill, Graham & Co.	100.900
C. H. Burgess & Co.	100.830
Canada Bond Corp.	100.640
W. L. McKinnon & Co.	100.390
Brent, Noxon & Co.	100.310
Wood, Gundy & Co.	99.660

Did Not Award Issue

In the case of the Township of East Whitby's two issues of $16,000, 5½ per cent., 25-instalment and $45,000 5½ per cent., 30-instalment school debentures, the council returned the tenders unopened to the various bond houses submitting offers. One school section found it could not effect its building program with the money and the other will build first and sell the bonds later.

No tenders were received by the City of Red Deer on Thursday for its issue of treasury notes.

The City of Sherbrooke decided not to accept any of the tenders received for its issue.

Alberta Schools

The following awards were made on July 2 by the Education Department of Alberta in connection with the sale of ten blocks of school district issues:

	Amount			Purchaser	Price
1.	$7,500	7%	10-ins.	McKinnon & Co.	108.80
2.	1,800	7%	10-ins.	McKinnon & Co.	102.80
3.	2,000	7%	15-ins.	McKinnon & Co.	105.84
4.	2,250	7%	15-ins.	Western Trust	105.02
5.	1,000	7%	10-ins.	Canada Landed	103.05
6.	800	7%	10-ins.	Western Trust	103.12
7.	500	7%	5-ins.	Huron & Erie	101.85
8.	2,000	7%	15-ins.	Western Trust	100.00
9.	1,500	7%	15-ins.	Western Trust	108.26
10.	500	7%	10-ins.	Western Trust	108.20

EXTERNAL LOAN COMPARED WITH DOMESTIC LOANS

New York Flotation Has Caused Selling of Victory Bonds

QUESTION OF YIELDS

Problematical Whether Desirable to Exchange, at Present Prices, Non-Taxable For Taxable Bonds

	High to date	This week
1922 issue	102⅛	100⅛-100⅞
1923 issue	102⅛	100½-100⅞
1927 issue	105	102⅝-103
1933 issue	106¾	104 -104½
1937 issue	107¾	105¾-106

The rather sharp decline in the prices of Victory Bonds this week, amounting in the case of the longer term issues to over two points over the high prices reached up to date, has been interpreted variously, and in some quarters has caused slight misgivings among the holders. There is little, however, to warrant this.

The chief drop in quotations came with the anouncement of the terms of the $75,000,000 loan in New York. The yield and return on this was so favorable that it induced liquidation on the part not only of United States holders of Victory Bonds, but to some extent among holders in Canada. This, added to the beginning of a movement among some corporations to liquidate some of their holdings of Victory Bonds in order to be prepared to undertake subscriptions to the new loan, made the market decidedly a selling one, and buyers were able to secure much easier terms than had been the case heretofore. Whether the lower levels will continue will depend to a great extent on the opinion that prevails as to the price at which the new loan will be offered in the fall. The yield of the New York, 5.9 per cent., with a 5½ per cent. yield for Canadian investors on a par basis—although without tax exemption—has led to a belief in many quarters that the terms of the new loan will be better for the investor than the 105-106 that was being paid for the 1933 issue, or 106½ to 107½ in the case of the 1937 issue. This will tend to hold prices down for a time and may even encourage some further liquidation. But the yield on the Victory Bonds is too good to allow the price to remain down for long.

Theory Behind Selling

The theory behind the selling of the Victory Bonds to invest in the New York loan is that the 97 price in New York would enable the bonds to be brought over here for about 100, and pay the 5½ per cent. This, it is argued, would be better than the 1933 issue, for instance, which is selling at 104½ to 104, bearing the same rate of interest, 5½ per cent.

The tax-exempt feature of the Victory Bonds, however, lessens the attractiveness of the New York loan, which is not exempt for residents of Canada. Bond tables show that the average investor who has an income of $10,000, of which $8,000 is taxable, must get 5.70 per cent. on a taxable security to equal the 5¼ per cent. that the Victory Bond pays at 104. The investor with an income of $5,000, taxable for $3,000, must get a return of 5½ per cent. to equal the return on a Victory Bond at 104, tax free. It is thus no real advantage, either to the man of high income or small, to make the exchange, when not only present taxes, but probably higher ones in future, are taken into consideration.

It is probable, therefore, that the argument of the man who is selling is this: "I have already made $4 on my 1933 bond if I sell at 104; in buying the new loan at 100 I am certain of this growing in value also, so I will get a profit here too."

From the standpoint of "yield," that is, for the man who buys a 1933 bond at 104, its present price, and holds it until maturity, the yield would be 5.10 per cent., and the 1929 bond (New York loan) would be worth about 103 to give a yield of 5.10 per cent.—without making any allowance for the fact that it is taxable.

THE B. C. OFFERING

Public Offering Made at a Price To Yield 5.35 Per Cent.

During the week a public offering of the $3,000,000 issue of 20-year, 5 per cent. gold bonds of the Province of British Columbia has been made by the purchasing syndicate, A. E. Ames & Co.; Dominion Securities Corporation, and Wood, Gundy & Co. The price placed on the issue is 95.73 and interest, which gives a yield of 5.35 per cent. The bonds are obtainable in denominations of $100, $500 and $1,000 and interest is payable semi-annually.

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FIELD OF MUNICIPAL FINANCE

RAPID GROWTH ACCOUNTS FOR TAX PROBLEMS

Western Communities Have Had Fast Development

SLOWER IN EAST

Tax on Improvements Does Not Lessen Building Necessarily as is Evidenced by Experience of Moose Jaw

By GEORGE D. MACKIE, M.E.I.C.
City Commissioner of Moose Jaw.
(Continuation of address on "Taxation" read before Union of Saskatchewan Municipalities, June 26, 1919.)

Before dealing specifically with the four points under discussion, it might be well for a moment to consider the question, "Why is the taxation problem more acute in the West than in the East?" The first point which strikes the observer is the enormous progress which has been made in our urban centres in the last generation. In the short period of twenty years the huge debt which burdens our Western cities has been created, resulting in prosperous communities springing up with all the utilities and conveniences which go to build up healthy towns and cities, whereas in the East and in Europe these processes have been going on for centuries, so that the burden does not fall heavily on the present citizen, nor are the interest payments to be met nearly so large as in the West.

This point is borne out by the following table, which has been prepared from the last annual report of the Department of Municipal Affairs, and from the Canada Year Book, 1916-17 edition:

Table showing population, assessment, debt and tax levies per capita in certain selected towns and cities; population 1916, data 1917 figures:

Name.	Popul. 1916 Census.	Assess. per capita.	Debt per capita.	Taxlevy per capita.
Regina	26,127	$1,662	$402	$46.50
Saskatoon	21,048	1,727	389	43.70
Moose Jaw	16,934	1,554	309	47.35
Prince Albert..	6,436	2,210	542	57.75
Swift Current.	3,181	2,647	393	67.76
N. Battleford..	3,145	2,170	331	60.85
Weyburn	3,050	1,853	280	55.15
Average	11,417	1,767	384	48.60
13 Eastern towns and cities ...	20,614	805	111	17.48
6 Western cities exclusive of Saskatchewan	25,906	$1,294	$305	$34.77

From this table it will be found that the average assessment in the seven cities of Saskatchewan is $1,767 per capita, whereas the average of 13 cities in the East is $805 per capita. and the average of 6 Western cities exclusive of Saskatchewan, is $1,294 per capita.

The average debt per capita for the seven Saskatchewan cities is 384, in 13 Eastern cities $111, and in 6 Western cities $305.

The average tax levy per capita in seven Saskatchewan cities is $48.60, in thirteen Eastern cities $1748, and in six Western cities $34.77.

Enormous Areas

Another factor which militates against the continued heavy taxation of land is the enormous area within the municipal boundaries of our Saskatchewan cities compared with the other cities of Canada. In 67 Canadian towns and cities the average area is 5,334 acres, whereas the average for the seven Saskatchewan cities is 7,250 acres, or in other words the average number of persons per acre in Canadian towns is 7.4, whereas in Saskatchewan it is only 1.2.

Having demonstrated that land cannot pay the taxes on the high assessment which has heretofore been demanded of it, the question naturally arises, what other sources of taxation are available? and in seeking for new sources of taxation the following requisites should be kept in view:

1. They should be capable of being levied with fairness.
2. They should, as far as possible, fit into the existing system and be convenient and economical to collect.
3. They should be conducive to the public benefit.

Tax on Improvements

A tax of 60 per cent. on improvements, in the speaker's opinion, fulfils all the above requisites. It is said that a tax on improvements would lessen building, and would penalize the working man in building his home. This, in my opinion, is a fallacy, and is not so in practice, for Moose Jaw, with the highest tax on improvements in the province, has been able to maintain its proportion of the new buildings in the province. It seems to the speaker absurd that the owner of say a six-story apartment block should pay the same taxes as a poor man owning a cottage, when the services rendered by a city are ten to twenty fold greater in the one case than in the other. An apartment block, a department store, a hotel, have little value apart from community value, and so should pay their proportionate share of taxation.

Working men, like all occupiers of dwellings, are reached by the taxes on dwellings. They are indeed reached also by the taxes on shops and factories, which enter into the expenses of merchants and manufacturers, and tend with more or less irregularity to be shifted to consumers. But this second sort of shifting is so concealed as to be difficult to follow in any concrete way. Taxes on dwellings, however, so far as they are levied with respect to the structure, increase house rentals unmistakably, and so cause their occupiers, and the workingmen among them, to bear a share of the public burdens.

Mr. Scott, of Winnipeg, places the matter very succinctly when he states: "Take the man who owns a $500 lot in the outskirts of the city. In many cases he will be in a district where there is an absence of permanent improvements, and, having to put up with a two or three-plank sidewalk, roughly graded streets, and many other inconveniences, if he builds he will probably, as is generally the case, put up a house of the value of his lot, namely $500, or perhaps even less. Under these circumstances and under the single tax system he gets off his assessment $500.

"Now let us look at the rich man. Supposing by way of example he buys a $20,000 lot in a more favored part of the city, where he has permanent streets, boulevards and every convenience at hand. On this property then he erects a $100,000 residence. What does he get? Under the single-tax system he gets $100,000 off his assessment or just five times the amount his lot cost. Compare this with the case of the poor man and you will see how it works."

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

July 19, Listowel—$18,000 5 per cent., 20-instalment good roads debentures of the town of Listowel.—W. E. Binning, Treasurer. (See announcement, page 13.)

July 19, New Glasgow, N.S.—$55,000 5½ per cent. 15-year debentures of the town of New Glasgow, N.S.

July 21, Saskatoon—$238,377 in 5 and 5½ per cent. debentures of the city of Saskatoon (see particulars in next column).—C. J. Yorath, City Commissioner, Saskatoon.

Aug. 4, Charlottenburgh Township.—$30,000, 5½ per cent., 20 instalment bonds.—Geo. E. Watson, Township Clerk, Williamstown, Ont. (See announcement, page 13.)

August 15, Lancaster Township.—$100,000 5½ per cent., 25-year serial debentures of the township of Lancaster.

July 18, Ottawa.—$865,694 in 5 per cent. debentures of the city of Ottawa of various maturities.—H. L. Corbett, City Treasurer. (Full particulars in adjoining column).

July 24, Alberta Schools.—$24,900 in twelve blocks of 6½ per cent. school district debentures, maturing in five, ten and 15 years.—J. F. Ross, Deputy Minister of Education, Edmonton.

July 19, Oxford County.—$22,000 5½ per cent. 15-instalment road improvement debentures.—N. E. Birtch, County Clerk, Woodstock, Ont. (See notice in adjoining column).

August 9, Medicine Hat.—$132,253 in 5 and 6 per cent. debentures of varying maturities, all being sinking fund.—G. E. Baskie, City Treasurer. (Full particulars in adjoining column.)

July 22, Levis, P.Q.—$85,900 5½ per cent. 20-year serial debentures dated Feb. 1, 1919.—Lionel Lemieux, City Clerk, Levis, P.Q.

July 21, Notre Dame de la Doree, P.Q.—$3,000 6 per cent. 10-instalment bonds dated May 1, 1919.—Louis Tremblay, Secretary-Treasurer.

BY-LAWS PASSED.

York Township.—$18,000 to enable School Section No. 29 to put sanitary plumbing and drainage in schools, passed by Council June 30; registered July 3.

BY-LAWS TO BE VOTED ON

July 14, Sarnia—$350,000 for purchase of a site and erection of a new collegiate institute and technical school.

July 14, Brantford.—$400,000 guarantee of bonds of the Brantford Industrial Realty Co., Ltd.

July 25, Barrie.—$7,300 in 5 per cent. 20-instalment debentures for sidewalks; $2,700 for permanent improvements; $75,500 for alterations and additions to school.

July 14, Elmira.—$2,500 in 5½ per cent. 20-instalment debentures for building granolithic sidewalks.

July 21, Saskatoon.—$15,000 for alterations to street cars; $1,000 for new scales; $156,200 for extensions to electric light and power; $2,976 for grading streets; $8,000 for site for children's home; $34,000 for extensions to street railway; $3,000 for extensions to fire alarm system; $3,250 for laying out park; $10,000 for improvement to exhibition grounds.

DEBENTURE NOTES

Watford, Ont.—Ratepayers voted on June 30 on a by-law to borrow $52,000 in 5½ per cent. 30-year debentures for the purpose of constructing a water system for the village.

Hamilton.—The Board of Control has consented to the request of the Board of Education for an issue of $33,000 debentures to make necessary repairs to Central School.

Coldwater.—The County of Simcoe has guaranteed an issue of $7,700 telephone bonds of the village of Coldwater and $20,000 sewerage bonds of the town of Orillia.

Grand Forks.—At a recent meeting of the City Council a letter was read from the National Bond Corporation, Vancouver, in which the company offered to buy the entire $75,000 issue of debentures about to be made. The council decided that the proposed debenture issue would bear interest at 6 per cent. and be payable half-yearly. Of the $75,000 issue, $50,000 will be in $500 debentures running for 20 years and $25,000 in $100 debentures, redeemable in ten years. It is expected that there will be sale for most of the ten-year issue locally.

Peterboro County. — Notice is given that at the meeting of the County Council on November 25, consideration will be given to a by-law providing for the borrowing of $14,000 for building bridges.

Westmount.—Writing to the FINANCIAL POST, A. F. Bell, Secretary-Treasurer of Westmount, says: "The only bonds that the city of Westmount has recently dealt with is a small block of $25,000, which was transferred to our own Sinking Fund Commission and is not to be properly regarded as an issue. Bonds taken by the Sinking Fund Commission of Westmount under the charter must be immediately destroyed. The City Council have refused to make any issues of its bonds at the prices that have prevailed, but will be prepared to receive offers for two or three small blocks for a possible total of three hundred to three hundred and fifty thousand if the market improves so that the city would not have to pay more than a yield of 5 per cent."

York Township.—On June 30 the Township Council passed by-laws authorizing an expenditure of over $100,000 for the extension of waterworks and pavements in the township.

Pipestone R. M., Man.—On July 5 ratepayers voted on a by-law to borrow $215,000 in 5½ per cent. debentures.

SASKATCHEWAN

The following is a list of authorizations granted by the Local Government Board from June 14th to June 28th:

School Districts.—Coal Dale, $700; Melfort, $25,000; xFosti, $1,200; xCambri, $2,500; xAlexandria, $1,800; xDunleath, $1,500; Buffalo Hill, $300.

Rural Telephone Companies—Gowan Brae, $12,100; North Weldon, $8,000; Crocus Belle, $3,000; Fairy Hill, $4,100; Dunblane, $18,800; Brownlee-Faulkton, $3,500; Lipton, $15,400; Crystal Springs-Invergordon, $13,700; Bergthal, $3,125; Buchanan, $40,000; Thorndyke, $1,200; Spring Grove, $16,200; Zelma, $12,000; Riceton, $2,500; Morse, $17,500; Leask, $24,000; McGee, $7,300; Meacham, $16,000; Hume, $4,600; Readlyn, $54,200; Rosebank, $1,600; Cloverley, $18,600.

City.—Saskatoon, $1,700.88, for sewer and water.

R. M.—Wellington, $10,000, for road machinery.

xBeing sold by Local Government Board.

Following reported sold June 14th to June 28th:

Schools.—Petrolea, $3,400, to Regina Public School Sinking Fund Trustees; Petrolea, $600, to Town of Duck Lake Sinking Fund; Downing, $4,500, to Waterman-Waterbury Mfg. Co., Regina; Amethyst, $2,000, to estate of W. F. Heal, Moose Jaw; Macworth, $2,400, to C. H. Burgess & Co., Toronto; Ridgehill, $3,500, to Waterman-Waterbury Mfg. Co., Regina; Goodeve, $10,000, to Great West Life Assurance Co., Winnipeg; Bulyea, $10,000, to Harris-Read & Co., Regina; Elmhurst, $600, to C. H. Burgess & Co., Toronto; Ruddell, $2,000, to Nay & James, Regina; Colonsay, $2,000, to Harris-Read & Co., Regina; Centre Springs, $1,400, to Saskatchewan General Investment & Agency Co., Regina; Goodwater, $2,500, to George E. Echel, Langley, Sask.; Beauchamp, $3,300, to Waterman-Waterbury Mfg. Co., Regina; Kempville, $3,500, to Waterman-Waterbury Mfg. Co., Regina; Pecton, $3,500, to Waterman-Waterbury Mfg. Co., Regina.

Telephones—Ardine, $5,600, to Harris-Read & Co.; Bonnie View, $4,300, to Harris-Read & Co.; Killaley, $17,700, to W. L. McKinnon & Co.; Ruthilda, $18,800, Harris-Read & Co.; South-west Tyvan, $5,000, to W. L. McKinnon & Co.; Hawarden, $14,300, to Harris-Read & Co.; New Imperial, $89,000, to Harris-Read & Co.; South Quill Lake, $5.300, to W. L. McKinnon & Co.; Norden, $8,500, to W. L. McKinnon & Co.; Woodleigh, $800, to W. L. McKinnon & Co.; Balcarres-Hill Head, $5,820, to W. L. McKinnon & Co.; Keelerville, $1,000, to Town of Biggar Sinking Fund Trustees; Amulet, $14,500, to Harris-Read & Co.; Whiska Creek, $5,000, to W. L. McKinnon & Co.; McTaggart-Weyburn, $14,200, to A. D. Ward, McTaggart, Sask.; Clyde, $1,300, to W. L. McKinnon & Co.

BOND SALES

$100 Abitibi, debs., at 99; $4,200 Asbestos at 78¼ to 76; $1,000 Bell Telephone at 96; $3,000 Cedar Rapids at 89; $6,000 Can. Cement at 100; $1,000 Can. Locomotive at 95; $2,000 Dom. Coal at 95; $5,000 Dom. Canners at 95¼; $1,000 Dom. Cotton at 99½; $5,000 Dom. Iron at 89½; $1,250 Dom. Textile at 99¾ to 99½; $3,000 Lyall Cons. at 93; $27,100 Montreal at 101½; $1,000 Elect. Development at 91; $100 Penmans at 93½; $500 Price Bros. at 86; $11,000 Riordon Pulp at 98 to 97; $4,000 Steel of Can. at 100; $2,800 Wayagamack at 87½ to 87; $378,290 Victory Loan (1922) at 101⅝ to 100¼; $541,150 (1923) at 101¾ to 100¼; $79,400 (1927) at 103½ to 102; $1,182,950 (1933) at 105⅝ to 104; $196,400 (1937) at 106½ to 105; $64,800 War Loan (1925) at 100¼ to 99; $22,100 (1931) at 100⅝ to 99; $101,600 (1937) at 101¾ to 100½.

COVERS WIDE FIELD

Finance Commissioner's Report on Toronto's Funded Debt

Only a brief reference is possible this week to the annual report of Finance Commissioner Bradshaw on Toronto's funded debt and sinking fund, which has just been made public. It is a most comprehensive document, full of the comments of an expert in municipal finance on many aspects of the permanent financing of municipalities. It is these comments, rather than the actual facts and figures, that will be of value to municipal officers, and more extended reference will be made to the report next week.

ATLANTIC SEACOAST RESORTS

Portland, Maine, enthroned on the hills overlooking Casco Bay, the brightest gem of the Maine sea coast, is not less charming to-day than when Henry Wadsworth Longfellow, America's best loved poet, went up and down its pleasant streets. The attractions of the wonderful territory surrounding Portland are manifold, there being innumerable natural beauties and cool retreats. Among these the seashore takes pride of place. Among the many favorite resorts for Canadians are Falmouth, Cumberland Foreside, Cape Elizabeth, Willard Beach, Scarboro, Prouts Neck, Old Orchard, Kennebunk and York Beach. Old Orchard is recognized as the finest and safest surf bathing beach in the world. A special feature of the Grand Trunk service this year will be that the train now leaving Toronto 9.15 a.m. daily with through sleeping cars from Montreal will, commencing June 26th, run through to the Union Station, Portland, and returning, commencing June 27th, will leave Portland (Union Station) for Montreal at 7.30 p.m. daily with connection for Toronto. The day train with parlor-cafe car now leaving Montreal daily at 8.30 a.m.; connection train leaving Toronto 11.00 p.m., will run through to the Grand Trunk Station, Portland. Returning will leave Grand Trunk Station, Portland, for Montreal, 7.45 a.m. daily, with connection for Toronto. A handsome illustrated descriptive folder with all information and list of hotels may be had free on application to Grand Trunk ticket agent or C. E. Horning, D.P.A., Toronto, Ont.

OUR POLICY

Our policy—except in cases where we are otherwise directed by the Will or trust instrument under which we act—is to practically confine our investments to first mortgages on improved real estate.

THE
TORONTO GENERAL TRUSTS
CORPORATION
Head Office, 83 Bay Street, Toronto
Branches at Ottawa, Winnipeg, Saskatoon, and Vancouver

$132,253.00
CITY OF MEDICINE HAT, ALBERTA
SALE OF DEBENTURES

Tenders endorsed "Tender for Debentures" will be received by the City Treasurer, up to noon of the

for the purchase of the following issues of Debentures of the City of Medicine Hat, individually or collectively:—

Construction of Spur Tracks	5% Debentures Maturing April 1, 1945..	$11,700.00
Purchase of Industrial Sites	5% Debentures Maturing April 1, 1945..	16,000.00
Improving Parks	5% Debentures Maturing April 1, 1945..	14,140.00
Deficiency on Storm Sewer	5% Debentures Maturing April 1, 1955..	17,199.00
Deficiency on Trunk Sewer	5% Debentures Maturing April 1, 1955..	17,188.00
Market and Right of Way Purchase	5% Debentures Maturing April 1, 1945..	11,000.00
Rebonding	6% Debentures Maturing July 1, 1949 ..	53,000.00

All Sinking Fund Debentures, interest payable at the Union Bank of Canada, Medicine Hat; London, England; Toronto, Montreal or Winnipeg, and the National Park Bank, New York.

Copy of Financial Statements forwarded on request.

The lowest or any tender not necessarily accepted.

G. E. BASKIE, C.A.
City Treasurer

Debentures for Sale

TWENTY-TWO Thousand Dollars, County of Oxford, "Road Improvement Debentures," dated June 1st, 1919; fifteen equal annual instalments of principal and interest, with coupons for interest. Interest at 5½% per annum.

Sealed tenders addressed to the undersigned and marked "Tender for Debentures" will be received up till 10 o'clock a.m. July 19th, 1919.

The highest or any tender not necessarily accepted.

N. E. BIRTCH,
County Clerk, Woodstock, Ont.

Debentures For Sale

CITY OF OTTAWA
$845,694.66 Instalment Gold Bonds
$20,000.00 Sinking Fund Gold Bonds

SEALED tenders addressed to "The Chairman of the Board of Control" and marked "Tenders for Debentures" will be received by the City of Ottawa until 3 p.m. on Friday, the 18th July, 1919, for the purchase of:

$ 65,421.64—10-year Debentures.
20,000.00—16-year "
190,273.02—20-year "
590,000.00—30-year "
TOTAL..$865,694.66

The Bonds are an obligation of the City at large, are issued in coupon form, with provision for registration of principal, bear date July 1st, 1919, and are in denominations of $1,000.00, $500.00, and odd amounts.

They are payable both as to principal and interest in gold, in Ottawa, Toronto, Montreal, and New York, and carry interest at the rate of five (5%) per cent. per annum payable half-yearly on the first day of January and July, the first half-yearly instalment of interest being due and payable on the first of January, 1920.

All tenders must be on the Official Form, and accompanied with an accepted cheque for $5,000.00.

Accrued interest from the 1st of July, 1919, must be paid in addition to the price tendered.

Until delivery of the Bonds, Interim Receipts can be furnished.

The highest or any tender not necessarily accepted.

Full particulars together with further conditions and official forms of tenders can be obtained on application to the City Treasurer.

HAROLD FISHER,
Mayor.

Tenders Wanted

SEALED Tenders will be received up to August 4th, noon, for $30,000.00 Township of Charlottenburgh 5½% Debentures, payable in 20 equal annual instalments.

Communications should be addressed to **GEORGE A. WATSON,** Township Clerk, Williamstown, Ontario.

Tenders Wanted

July 19
LISTOWEL $18,000.00 6%
20 Instalment Good Roads Debentures, of the Town of Listowel.
W. E. BINNING,
Town Treas.

Route Your Shipments
CANADIAN NATIONAL

Weekly Record of Government and Municipal Bond Sales

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
June 28	Saskatchewan Schools	Various (see list above)	....	.....	$ 55,200	.....	.....
" 28	Saskatchewan Phones	Various (see list above)	....	.....	131,020	.....	.....
" 30	Louth T'p.	Local Sale	7%	20-ins.	1,950	.....	.....
" 30	Louth T'p.	C. H. Burgess & Co.	5½%	20-ins.	20,000	.....	.....
July 2	Alberta Schools	Various (see list on page 12)	7%	var.	19,850	.....	.....
" 3	Bowmanville, loan	National City Co.	6%	10-ins.	17,500	102.24	5.50%
" 7	Mimico, Ont.	C. H. Burgess & Co.	5½%	30-ins.	55,000	100.00	5.50%
" 7	Sherbrooke, P.Q.	Hanson Bros., Montreal	5%	20-yr.	142,500	93.71	5.51%

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL

Authorized Capital - -	$2,000,000.00
Subscribed Capital - -	1,000,000.00
Paid-up Capital - -	247,015.79

General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 63 Million Dollars

FRED J. DARCH, Secretary W. H. HUNTER, President S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - - TORONTO

Why the "MUTUAL LIFE of Canada" is so Popular

The Mutual placed upon its books in the first five months of 1919, 100% more business than in the corresponding months of 1918. The wonderful war-record of the Mutual Life and the prompt payment of the many unexpected claims during the recent epidemic—these have proved the value of the institution. The Mutual, moreover, is in a peculiar sense a people's company being in its control democratic, in its economy strictly co-operative. This means that the system is in line with the "Spirit of the Age" and so the people naturally turn to the Mutual. The record of the company for nearly half a century has been one of increasing beneficence, and an ever-growing number of gratified policy-holders help on the good work of the agents. As a result there probably is not a more prosperous group of workers in Canada to-day than the representatives of our company.

"BE A MUTUALIST!"

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

5½% INTEREST RETURN

INVEST YOUR SAVINGS
In a 5½% DEBENTURE of
The Great West Permanent Loan Co.
SECURITY

Paid-up Capital	$2,412,578.81
Reserves	964,459.39
Assets	7,086,695.54

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,468,523.08
A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. Lyon & Knowland, Agents

WHEN YOU DIE

Will your Estate be properly administered?
If you appoint a private Executor, who will replace HIM when HE dies?
The MONTREAL TRUST COMPANY, being a Corporation, never dies.
Therefore, if you appoint that Company your Executor, the proper administration of your Estate will be assured. Consultations solicited.

MONTREAL TRUST COMPANY
Sir Herbert S. Holt, President A. J. Brown, K.C., Vice-Pres.
TORONTO OFFICE: 61 Yonge St.
J. F. HOBKIRK, MANAGER

INVESTORS' INSURANCE NOTES

INSURANCE OF RETURNED MEN IS DISCUSSED

Government May be Appealed to in Case of the Unfit

COMPANY'S ATTITUDE

Cannot in Justice to Other Policyholders Underwrite a Lot of Risks That Are Physically Unsound

The life insurance companies are keenly interested in the effort that is being made by several of the Great War Veterans' organizations to get the Government to come to their assistance in the matter of insurance—that is for those who have come back in such physical condition that they are not acceptable to the insurance companies under the usual terms, not being able to pass the ordinary medical examination. Already requests have been made that the Government consider the advisability of arranging for insurance for these men itself, independently of the insurance companies.

The question has not yet been dealt with by the Great War Veterans' Association officially, but there is a feeling among many of the leaders that some step should be taken. Speaking to some of the officials of life insurance companies THE FINANCIAL POST was told that the companies would have no objection to the Government going into life insurance in this connection, much along the lines adopted by the United States Government with its own men. It was pointed out that no matter what the goodwill of the companies to the returned men, they could not in justice to their shareholders and the policyholders themselves, take hundreds or thousands of hazardous risks that would weaken the company's position. In the case of one company it was stated that as soon as the men were back and discharged, they reverted to the old peace time rate, and that moreover there was no further examination imposed on them, no matter what their injuries were, even if death were imminent. At this point the obligation of the company must cease. it was declared.

In the United States

This same insurance manager went on to refer to the case of the United States where the Government had insured the men at a rate below the regular cost for the duration of the war, and would continue to insure them after their return, taking this upon itself, instead of anything being done by the insurance companies.

"This brings up the question of 'group' insurance," he went on. This is a plan that is becoming quite popular in the States. There an insurance company will arrange with a factory to insure all its employees, the company to guarantee the payment of the premiums. In such a case there is no medical examination, one flat rate applying to all, good or bad risks. But the guarantee of the company for the payment of all, enables the insurance company to carry them without regard to health. With returned men, if any general offer were made by the company, it is likely many of the healthy ones would let their policies lapse, and those who were uncertain of the existence of their life would continue, eventually entailing a heavy loss on the company. If the Great War Veterans, for instance, went to any company and offered to guarantee the payment of premiums on all their members, strong or weak, any company could afford to insure in bulk at a comparatively small rate. In the same way they could insure a section of a city, or the whole population, provided always there was a guarantee that everyone would 'stick.' Thus the small payment would be met by the high average of health, or hazard."

WINNIPEG HOUSING

City Likely to Proceed With a Revised Building Project

A revised scheme for providing needed housing accommodation in Winnipeg was submitted to the city council this week by Mayor Gray. Between $2,000,000 and $3,000,000 will be spent and the city will not have to assume complete financial responsibility. The enterprise will be co-operative in form and will be endorsed by various public organizations. Citizens will be afforded an opportunity to participate—financially. Mayor Gray said the new plan will tend to reduce the cost of the houses below the figure set by the housing committee. Private capital may be utilized as well and nominal profits will be allowed. Mayor Gray's announcement changes materially the former plans to increase Winnipeg's building program. Work for thousands of mechanics and laborers, it is expected, will be provided. This will relieve unemployment and remove the after-effects of the recent strike, officials predicted.

Prospective builders probably will be permitted to choose their own locations for homes in any part of the city. The funds will be obtained from the federal government through the provincial authorities.

INSURANCE MAN PASSES

General Agent J. A. Macfadden of the N. Y. Life is Dead

The death occurred this week of a familiar figure in insurance circles—James A. Macfadden, general agent of the New York Life Assurance Company, Toronto. Mr. Macfadden came originally from Stratford. He was appointed general agent of the New York Life in 1899 and has held the position ever since. He was a prominent Mason and took a keen interest in sport. For several years he was secretary of the Ontario Curling Association, and later was president. His mature advice he also gave to the Ontario Hockey Association as a member of its executive and also to lacrosse as a member of the executive of the Canadian Lacrosse Association. Since living in Toronto he took up golfing, and was a member of the Lambton and Mississauga Golf Clubs. Mr. Macfadden was also a member of the National Club, the Victoria Club, the R. C. Y. C., and the Ontario Jockey Club.

ACTIVITY IN LONDON

Many Transfers Are Reported for the Month of June

During June 186 real estate transactions took place in London. This number is more than twice the total for the best month ever before recorded in London's history. The value of the properties has not yet been summarized, but it is claimed that the consideration will run into many hundreds of thousands of dollars.

That money is plentiful is further indicated by a statement by City Treasurer Bell, showing that on July 2, when the first instalment of the year's taxes was due, more than 75 per cent. of the property owners decided to make payments in full.

Last year a record was established when a million dollars was paid on the first instalment. This year the mark is eclipsed by the collection of more than $1,125,000.

BUILDING IN HALIFAX

June Permits Considerably in Excess of Those for June, 1918

By Special Representative

HALIFAX.—Despite the six weeks' strike in Halifax in the building trades, the building permits issued in this city for June are considerably greater in volume than they were in the corresponding month last year. It is to be remembered, too, that wages in those trades, as a result of the strike, are almost 25 per cent. higher than before. The figures for June are $224,290, and for June of 1918, they were $200,086. For the six months' period of this year the permits are $1,635,536, and for the half year of 1918, they were $975,122. While this is so, there is little doubt that the permits in Halifax are much less than would have been the case had there been no strike and less of a radical advance in wages come into effect. The housing situation is very acute in this city and people are in desperate straits to obtain accommodation. The loan companies are advancing large sums on building operations, but there is manifest a disposition to accept only the best gilt-edge security for advances of this kind.

RECORDS BROKEN

More Real Estate Transfers in Hamilton in June Than Ever

All records in real estate transfers in Hamilton were broken last month, when 481 sales were recorded. This compares with about 300 transfers in June, 1918, and exceeds the records of 1912 and 1913 by a good margin.

There have been some 2,100 sales reported for the first half of the year and since February the monthly sales have been the equal of these "big years" in Hamilton realty. The county sales, too, have been numerous—farm properties, country home sites, market gardens and suburban residence sites have all figured locally in the past three months to a greater extent than for some years past. In Saltfleet alone there were reported some 30 known sales during June; in Barton there were probably 100; Ancaster, too, had a good record of sales at large acreage prices.

The Mossop Hotel on lower Yonge St., Toronto, which was closed following the enforcement of prohibition, has been purchased by Berman G. Hines and, after being redecorated and furnished, will be re-opened.

COMPANY FORMED TO BUY UP LAND IN WEST. CANADA

Expects Much Land Released When Moratoria Expire

AVAILABLE CHEAP

Difficult for Present Owners to Obtain Money to Complete Their Purchases at End of Period

An interesting development in Canadian real estate is forecast in the announcement of the formation of the Amacan Corporation, with a capital of half a million. The operations of the company will be along the line of securing properties in Western Canada, which have been held by present owners under the protection of the moratorium measures of the various Provinces and which, with the lifting of their regulations, will probably be thrown on the market.

As explained, a large percentage of real estate in Canada, particularly in the West, is held on the part payment system. The owners, who have accruded payments of over four years against their property, have been hiding behind the moratorium laws of their different provinces. Now that peace has been declared these moratoria will be taken off, it is thought by the best authorities, in under six months' time. It will be very difficult for the present owners to get money to complete their purchases. Both England and France have made it illegal to bring money out of those countries for anything not of industrial importance to them.

E. H. Turnbull, president of the company, has for over thirty years been intimately connected with real estate in Canada. Gen. John J. O'Ryan, the vice-president, knows the American market thoroughly. It is planned by the corporation to send Mr. Turnbull to Canada in August to purchase property for the corporation if, as now seems probable, the time is favorable for buying.

Buffalo Mines

Figures published in the annual report of the Buffalo Mines, Limited, for the year ended April 30, 1919, show a series of declines in nearly all departments of the company's activities. The year's production of silver, including ore and bullion on hand and at smelters, amounted to 625,786 ounces, which compares with a production of 767,740 ounces the previous year.

WIND UP LAND CO.

Subsidiary of the Standard Reliance Haled to Court

A petition for the winding up of the Dovercourt Land Co. has been fyled by Donald M. Waters, Belleville, and Mrs. C. A. McKee, and W. D. Ross, Toronto, trustee of the estate of the late John Arnold McKee. They claim that the company is indebted to the estate to the extent of $113,640, and that it has assigned to the Standard Reliance Mortgage Corporation the bulk of its assets without obtaining the consent of its creditors or satisfying their claims.

SIMPSON'S IN HALIFAX

Toronto Departmental Store is Building Mail Order Branch

The Robert Simpson Co., Toronto, are about to erect a mail-order building in Halifax, land having been purchased recently for the purpose. The firm have awarded contract to the Wells Construction Co., Toronto, who are proceeding to put up the building. It will be 300 by 100 feet, five storeys high and of concrete construction and it is expected that it will be completed by the fall.

AMONG THIRTY THOUSAND ISLANDS OF GEORGIAN BAY

The 30,000 Islands of the Georgian Bay is one of the most attractive of Canada's summer resort territories, with its shaded nooks, wave-lashed shores and rocky forest depths. It comprises some of the finest fishing grounds where bass, pickerel and maskinonge are plentiful, and lake trout are caught weighing from ten to fifteen pounds. Among the attractions other than fishing, this district offers fine canoe routes for long and short trips among the islands and amid fascinating scenery. Excellent bathing beaches are found at all the principal points. As a health resort the region is famous, the air being pure and invigorating. The district is reached by the Grand Trunk Railway System, the trains connecting with steamer, which calls at all the important resorts. For full information apply to Grand Trunk Ticket Agent, or C. E. Horning, D.P.A., Toronto, Ont.

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Assets	$639,691.53
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VAST CREDITS ALONE CAN PREVENT AN INDUSTRIAL AND COMMERCIAL TRAGEDY IN WAR-RIDDEN COUNTRIES

Continued from page 11.

test of the enormous movement which has been imposed upon it. But equipment is deficient, and much of it unbelievably ancient. Added to that is the ineffectual system of handling the traffic. One of our high military officers described the despatching of a freight car, say from Brest to Paris, as comparable with dropping a letter in a mail box. Some time, presumably, the car would arrive at its destination, but in the meantime there was no record of its whereabouts. No matter how important it was to have it reach its destination, no way existed to trace it, and it might get lost on a side track for a month.

The situation in France or even in Belgium is by no means illustrative of the situation further east. It is true that in Belgium the Germans took up practically all double track, even on the principal main through lines, and have left but a single track for all traffic. Literally hundreds of masonry bridges have been destroyed in Belgium and northern France. It is easy to say that all this damage can be readily repaired, and so it can in time. My point is that it has not been repaired, and at the present moment the tremendous handicap resulting from an inability promptly to move freight would alone be an enormously disorganizing factor to the industrial life of these countries.

As one goes further east, however, the transportation system is found to be far more seriously disorganized. It is true that there has now been established some through services that might be taken to indicate a return to normal railroading conditions. One can travel from Paris to Warsaw, or to Belgrade, Bucharest or Constantinople. When it comes to transporting freight through the whole district east and south of Germany and of old Austria-Hungary the situation assumes serious aspects. Serbia was swept almost clean of all railway equipment.

I was told that at the date of the armistice there were but nine locomotives left in Serbia. The situation is bad in Greece as well as in Rumania, Czecho-Slovakia, Poland an Lithuania. In Russia the locomotives seem to have been run until they ceased to function and then were deserted, little if any effort being made at repairs, and it is here that there are the most notable examples of starvation and ample food supplies not distantly separated.

I have the highest possible authority for the prediction that the food situation will be more serious in the spring and summer of 1920 than it has been this year, and indeed that it will be so serious that, taking into account the breakdown of transportation, it will be impossible to prevent another horror of starvation even if the ports of Europe are amply supplied with food. I am not arguing that this whole situation cannot be readily put to rights, but I do say that no substantial start has yet been made to do so, that even no systematic plan has yet been developed, and that under the very best of conditions the task is one that will consume a great deal of time. In the interval the transportation situation presents a most serious obstacle to the distribution of food and necessities, and makes doubly difficult the restarting of industry. Among all of Europe's needs, none is more poignant than the rehabilitation of her railroads.

Occasionally I had an interview that was so rich in material and that was given under such circumstances that I could make very brief running notes. I find in my note book, which indeed is a lamentably scanty and scrappy one, the notes of an interview I had with a man who has made a great success on two continents and knows thoroughly from personal experience the railroad conditions in America, England and in Europe and who has rendered distinguished service throughout the war. My talk with him ranged over many subjects. Portions of the interview would logically fall in various chapters of this book, but perhaps it will be as interesting and readable to try to give an outline of what he had to say without any attempt at logical arrangement:

In France the railroad tariff is fixed by law. It is now admittedly too low, but there has been an indisposition materially to increase it, just as there has been an indisposition to increase taxes. The result is a sad deficiency in income and a serious decline in the physical condition of the rolling stock. The French railroads seem never to scrap rolling stock. I have seen a locomotive regularly running on a French railroad that bore the date 1857 on its name plate. That locomotive would be in a museum in America. Its boiler tubes were all of copper. It is to-day in regular operation. The way in which France has conserved its old rolling stock makes me wonder if Americans have not gone mad on rebuilding railroads.

Economical as is the management of the French lines, their income at the present too low rates is not sufficient to keep up properly their physical condition. The Allies have paid the Nord Railway three million pounds on account, and that is all that has kept the road going. The finances of all the French roads are bad.

In France a tremendous amount will have to be spent to restore the railroads to a good physical condition. The problem is by no means insurmountable, but France will have to put up rates. Everything that a railroad buys has gone up, and there must be an advance in the price of what it has to sell. If the French railroad managers would introduce some kind of efficiency, if they would learn to do some things in the way they have seen them done under American and English direction, their position would be much easier. I think after the Americans and English have gone home the French will introduce a better system, but they dislike to do that under the eyes of the foreigners.

In England an extraordinary happy arrangement was made at the very outbreak of the war. The British Government took over 95 per cent. of the railroad lines, guaranteeing them the same net return as they made in 1913. The Government allows the same amount to be spent on upkeep and charged to operating expenses as was spent in 1913, plus 20 per cent., the 20 per cent. being allowed to cover the increased cost of material and labor. There was so much difficulty in getting labor that one million pounds of this upkeep fund is unexpended.

The passenger rates in England were increased 50 per cent., not so much to get additional revenue as to prevent travel. Freight rates were not materially raised. Much traffic that had formerly moved by water had to be moved by rail, and this made new tariffs necessary and increased the business of the railroads. There was formed a railroad executive committee, made up of eleven or twelve managers. The President of the Board of Trade was the nominal head, but he was not active. No conclusion was put into force without the unanimous consent of this executive committee. They were broad minded in their attitude and did not hamper the Government, and the result is that there has been built up no controversy between the Government and the managers.

In an unguarded moment, the Government promised the unions that it would sympathetically consider an eight-hour day. With the armistice the uions immediately came forward and demanded an eight-hour day at once. Lloyd George, Sir Albert Auckland, Stanley Geddes and Sir Herbert Walker all made promises before election that are now difficult to carry out. During the war hours ranged from ten to twelve a day, and sometimes there were cases of men working sixteen hours a day. An eight-hour day would add £25,000,000 annually to the operating expenses. The present increase of wages over the pre-war total is £55,000,000, so that if an eight-hour day is granted on top of the present wages, the operating costs for labor alone will be £80,000,000 more than prior to the war. Standardization, co-operation and the operation of all the roads as one system will save about £15,000,000 per annum, leaving £55,000,000 to be met by increased rates. Railway economists agree that this cannot be done. It means doubling the expense. Winston Churchill before election promised nationalization. His unauthorized promise was not denied until after the election. Now England is to have a new Minister of Ways and Transportation, but as yet no definite Government policy has been announced.

The English public is divided upon the subject of nationalization. The subject, however, is not so complicated as it is in America. The difference between the railroad situation in the United States and in England lies in the fact that there is no vindictiveness in England between the Government, the railways and labor. There have been no such acts in England as the taking away of private cars or the reducing of salaries of managers. The English public always stands for fair play. "Is it cricket?" is a question ever in the minds of Englishmen. In America the policy of legislators and of the Interstate Commerce Commission has often been vindictive. England will probably be slow in making its final decision in regard to the railroads. It is the habit there to consider public questions carefully; but in the end it will be fairly considered and the owners of railroad securities will be treated fairly.

Personally, I think the Government ought to get out of the railroad business. Political influences will always hamper its policy of management. I doubt if railroads can ever be publicly run successfully in a democracy, although perhaps they can in an autocracy.

I have been spending some time in Belgium. You can discount somewhat the Belgian hard luck stories. The Belgian is inclined to exploit his misery. It is true that certain towns were wiped out, but all were not. Belgian agriculture is better than it was before the war. The Belgian children have been well fed. Keep an eye on Belgium. Her industries may revive first in Europe, and she has great ability in the industrial field.

Here in France industry is handicapped in many ways. The Frenchman is jealous and suspicious of his neighbors. He is an individualist and does not like to co-operate. The genius of the French is for small business. They do not want Americans or English to come in to do business in France. That policy is undoubtedly a mistake. They ought to welcome the energy and brains of outsiders who would help them to get going. There has been enough altruism and amateur charity in regard to France. What France ought to do is to let capital and brains flow in and give vitality to her whole industrial life. She should do away with her restrictions. But, in fact, she has become more Chauvinistic than ever.

Do not be deceived, however, by the possibility of recovery in France. France has been very sick, but there is nothing wrong with her constitution. Foreigners can do business in France if they will only learn how to go about it. Americans particularly do not know how to deal with Frenchmen. Americans are too direct and too blunt. No Frenchman wants to talk business in the first interview, and much of the business of France is done by indirection. One must take time to find out where the lines lie and in direct contact never take a Frenchman too seriously. The field of industry in France would be difficult for an outsider, but in the field of finance there is unlimited opportunity.

You ask what America should be doing in Europe. Europe is fairly crying for brains and capital. There are possibilities everywhere, and there are particular possibilities in some of the byways of Europe that capital does not think of. Portugal is one. Clear-sighted engineers with a business sense would find many opportunities in Portugal and in Spain. There are great mineral resources there and an excellent climate.

One of the old regions of the world, Mesopotamia, will be made to flourish like a green bay tree if a little capital and some brains would get hold of the situation and revive the irrigation system of ages ago. In the Balkans and in the East there are coal and oil to be developed. In Rumania there are mineral and agricultural possibilities. The Germans made no mistake in selecting the Near East as a place for investment. They organized banks there, and the banker did not take chances. He knew what he was about. There is a banking vacuum from the Adriatic east.

If America will study these opportunities and will link imagination with an actual knowledge of existing conditions she can, with her ways of dealing with things, make a new world out of these backward countries. The greatest export America could send to those countries would be men with a knowledge of construction, of finance and of management. These countries have had bad government so long that there is no impetus left in the native people and they have made no progress, in spite of having natural resources that would have supported great development. The course for America to follow is, first, to investigate, to prospect, then to construct, retaining an interest in the junior securities and keeping the operation in their own hands. There is an enormous field for profit to Americans and for service to these people.

CHAPTER III.

A Chaos of Currencies

An important factor contributing to the present commercial disorganization of Europe is to be found in the situation of the currencies of the various nations. The chaos in the circulating medium is enough to make Europe seem like an economic madhouse. The very first days of the war saw experiments in currencies by the greatest countries which departed from all experience and disregarded in many cases all sound principles. England itself in the first days of the war had to resort to a flat issue by the Government. Gold, which was the general medium of exchange aside from the Bank of England notes, disappeared from circulation overnight. The Bank of England had a rigidity in its circulation that permitted no elasticity, and the Government was forced to begin the printing of flat notes before suitable paper could be found or adequate plates engraved.

To-day the amount of Government notes outstanding in Great Britain amounts to more than $1,500,000,000. Against this there is held a special deposit of gold amounting to £28,500,000 or roughly $140,000,000. Theoretically the notes are redeemable in gold. Practically the holder of either these notes or the notes of the Bank of England would be so closely questioned in regard to the use he intended to make of the gold if he demanded their redemption in gold that their redemption quality is for the present a fiction. No one is permitted to export gold from England without a Government license and that license in fact is not granted. A bank deposit in England is payable only in Bank of England notes or the Government currency notes, and as these notes will not be redeemed in gold on demand the pound sterling has ceased to represent gold.

In France the sole national issue of circulating notes are those of the Bank of France. The outstanding issue of these notes of the Bank of France has gone up from about six billion francs before the war to over thirty-four billion, with the limit of authorization just raised to thirty-nine billion. The notes are at present irredeemable and all gold has disappeared from circulation.

It is well to stop a moment and translate these figures so that our minds can grasp their significance. The circulation of the Bank of France now amounts roundly to six and a half billion dollars. France has a population of about 39,700,000. This gives an average amount of circulation per capita of roundly $166. Our own circulation is $5,863,288,000, or $54.64 per capita. France with its 39,700,000 of people and its area less than that of our South Atlantic States has three quarters of a billion dollars more circulation than we have in the United States.

While the notes of the Bank of France are the only national circulation and the only legal tender, there has been issued by many of the towns of France, through the local chambers of commerce, circulating notes of small denomination.

In Italy circulation consisted of notes of the three great banks of issue, the Bank of Italy, the Bank of Naples and the Bank of Sicily. Before the war the Italian note circulation was 1,730,100,000 lire. To-day it is 8,961,300,000 lire.

In Belgium the pre-war circulation consisted of the notes of the National Bank of Belgium. When the German Government came into Brussels they were not in a position to command a further issue by the National Bank, but they compelled the leading commercial bank, the Societe Generale, to put out an issue. The volume of this issue grew to large figures, but large as it was it was supplemented by issues by every town of importance in Belgium. I have seen a collection of these issues of Belgian and French city currency which filled two large scrap books of perhaps a hundred pages each, each page of which was covered with an endless variety of notes. One of these, for which the ingenious and patriotic artist who designed it was subsequently lodged in a German jail, had on the back an outline sketch of a lion whose tongue protruded contemptuously. It was discovered by the German authorities after many of these were in circulation that the lion's body embraced an outline map of Belgium and the contemptuous tongue of the lion was that bit of Belgian territory that was strongly held by the Belgian troops throughout the war.

In addition to the Belgian notes there was a great flotation of German marks. When the German troops evacuated Belgium the Government faced the problem of withdrawing from circulation both German marks and the forced issue of the Societe Generale. It accomplished this by giving in exchange a certain amount of the notes of the National Bank of Belgium and the remainder in bonds of the National Government. As a result of this exchange it holds now more than six billion marks of German currency, an amount normally equal to one billion two hundred million dollars.

France had a similar problem in Alsace and Lorraine. With more patriotism than financial judgment France exchanged French bank notes for the marks at the rate of 1¼ francs for each mark. This cost France $500,000,000, and she now holds a corresponding amount of marks.

The currency situation in Great Britain, France and Belgium was simplicity itself, however, compared with that in some of the nations on the eastern front. After the armistice Poland found itself poor in everything but currency. There were in circulation there huge amounts of Russian rubles issued by Germany, counterfeits issued by the Bolshevists, Kerensky rubles, Bolshevist rubles, German marks, Polish marks, representing a forced issue which Germany had compelled during her occupation, and perhaps of the least value of all, Austrian crowns.

Here was a conglomeration of notes more intricate than anything Mr. Paderewski had ever tried to play. But he has made an attempt to straighten out the complication by issuing a new Polish currency and by taking in the forced Polish issue, returning half the notes stamped and retaining the other half against an issue of bonds, while the other currency issues are being exchanged on various terms for Polish obligations.

Serbia, Rumania, Czecho-Slovakia had almost as complicated a currency situation and have made heroic attempts to reduce the circulation by calling in all existing issues, returning part of them stamped and issuing funded obligations of the State to represent the notes retired or carried in the State's treasury.

The Austrian note issue has become so complicated and the gold reserve so slight that the gold reserve represents three-eighths of 1 per cent. of the circulation.

Another currency complication that has added to the untold difficulties is found in the Bolshevik attempt to counterfeit successfully sterling, francs, pesetas, lire and marks. How far this has gone no one knows. Counterfeits of the circulating notes of the Bradford Bank, one of the few banks of England that have powers of issue left, aside from the Bank of England, have reached England. The Governor of the Bank of England has seen no counterfeits of the Bank of England note, but there is said to be a plentiful supply of them in Constantinople and throughout the Near East, where a greater confidence was shown in Bank of England notes than in any other form of paper currency; and the Bolshevists were ready to meet the demand.

This programme of wholesale counterfeiting by the Bolshevists is a part of their political programme. In Bolshevist political economy there is no place for money. They found it was impossible to withdraw money from circulation in Russia and so they consciously set to work to make Russian money of no value by printing unlimited amounts not only of their own ruble issue but of the Czar notes and the Kerensky rubles.

The finest money printing establishment in the world next to the Bureau of Engraving and Printing in Washington was located at Petrograd. The Bolshevist propaganda in other nations required money, and so they set to work counterfeiting the notes of other nations with the double object in view of furnishing funds for the immediate use of Bolshevist propagandists in other countries and for the deeper purpose of destroying confidence of other peoples in their own circulation by injecting perfectly executed counterfeits into the circulation of other countries. No one professes accurately to know how far this diabolical scheme has been successful. It is regrettable that in this connection the Bolshevists had the example of one of the Allies, who counterfeited the mark while the war was on and gave the counterfeit paper to German Socialists to help their propaganda in Germany.

In normal times of peace the great varieties of currency circulating in Europe always tended to hamper the freedom of commercial operations. The difficulties which flow in the train of the numerous and extremely complicated issues now in circulation make the currency situation on the Continent a serious obstacle in the way of returning to a normal economic life.

AN EXECUTIVE'S MEMORY

Wall Street Journal

A member of the sales department of American Woolen Co. was telling of having been remonstrated with by the president for an error. "We were talking in the corridor of the hotel," he said, "and Mr. Wood had been speaking to me about ten minutes when he was interrupted by another gentleman. Their conversation, which lasted for about thirty minutes, chiefly concernde some mining properties in which the other man was interested, and I was congratulating myself that my trouble would be forgotten. Imagine my consternation when Mr. Wood on bidding good-bye to his friend turned and starting in at the very point he had left off when interrupted, continued pointing out to me where I had been wrong, without repeating one word."

Difficult to draw the wool over such a man's eyes.

Have The Maritimes Had Fair Play?

THE Maritime Provinces did not enter Confederation very willingly and it may surprise people in other parts of the Dominion to learn that at the present time the people of New Brunswick and Nova Scotia are not altogether pleased with the results of the bargain. There is a distinct feeling among them that the advantages of Confederation have gone to the other Provinces. In the course of an article in the July issue of MACLEAN'S MAGAZINE, Thomas M. Fraser explains why this feeling has grown and the basis for it.

This article was written for the purpose of letting the other provinces know that the feeling exists but it will be of intense interest to people in the Maritimes. Be sure to read it—"The Spirit of the Maritimes."

"The Land of National Leaders"

An article on the political aspect of the Eastern Provinces and the achievements of their leading statesmen.

"Guarding Our Coast Line"

An extremely interesting description of the measures that were taken to patrol and guard the Atlantic seaboard during the war.

Bonar Law, the man from the Maritimes, who has been the able lieutenant of Lloyd George at all crises in Great Britain, appears on the cover in a handsome three-color reproduction.

Other Big Features of the Number

"With the Snowball Brigade"
By Captain Louis Keene

Just back from Siberia—Captain Keene tells some sensational and intensely gripping things about conditions in that country which the Canadian forces are helping to stabilize. It is a record of international complications, strange atrocities and almost unbelievable living conditions.

"The Three Tommies"
By Robert W. Service

A war poem of unusual strength.

"Solving the Problem of the Arctic"
By Vilhjalmur Stefansson

The fourth instalment of his remarkable story of the five years he spent in the north for the Canadian Government, appearing exclusively in MACLEAN'S.

Three Magnificent Stories

The best fiction obtainable is found in this issue: "Owners Up," a race horse story by W. A. Fraser; "His Majesty's Well Beloved," by Baroness Orczy; "Bunkered," by Allen C. Shore.

The Review of Reviews

Here are a few of the articles in this splendid department chosen as the best published during the past month in all magazines:

Finding Husbands For Three Million Women.
Will England Become an Agricultural Country?
Germany Can be Prosperous Under the Peace Terms.
The Woman Who Wrecked the World.
The Great Lama Rides in Motor Car.
Strange Personalities at Paris.
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HUMAN NATURE BARS SUCCESS OF CO-OPERATION

Control of Industry Measured Against Free Competition

AS TO MONOPOLIES

Experience Proves That Combines Are Expensive, and That Competition Brings Greatest Benefits to all

By ARCHER W. DOUGLAS.
In the New York "Annalist."

It was one of the pleasant illusions bred by the unity of national spirit during the war that, in the years to come, we should put in active operation in the business affairs of life that spirit of co-operation which so decisively and so quickly won the conflict for us. It was not a new thought nor aspiration, for it has been the dream of thinking and sympathetic humanity in every age. But it is an unpalatable fact that this dream was apparently never so far from realization as it is to-day.

Before the war there was a growing feeling among thoughtful men in the business world that we were on the road toward putting into actual practice such of the tenets of socialism as time and experience might approve. But to-day we are equally sure that we have borrowed enough of its way and methods, and that the remainder which it offers seems both impracticable and destructive.

Fortunately for our future we had actual experience in the example of the Government taking over many of the leading industries during the war. It is, of course, easy to say that the results would have been worse had not the Goernment intervened, and that the plan has really never had a fair trial because of the exigencies of war. But the average American is a pragmatist, inasmuch as he usually judges theories and methods by their results, and the insistent and general demand for the return to private ownership of the industries which the Government took over during the war is the best evidence o the country's estimate of Government control of industry. This estimate centres largely around the railroads as a salient example, and is summed up in a few words—incompetence and extravagance; greatly increased charges to shippers and the traveling public, and distinctly depreciated service. We are very apt to think, however, that the failure of the Government plan may be due to politics, or the inevitable red tape, or, in some instances, to the incompetent and inexperienced men who were placed in charge. So we imagine corporate control is a different story, because of the employment of business methods by men of long experience who inevitably introduce increased economies and greater efficiency by concentration of effort and by cutting out that duplication of labor which results from the operation of many separate entities in the same line of business.

Enter Human Nature

The trouble about this theory is that, while it is unanswerable on paper, it does not prevail in actual life, because it leaves human nature and its inalienable peculiarities and traits out of its calculation. To put it baldly, the inherent impulse and main purpose of every consolidation or combination for the control of an industry are to make more money by monopoly than it found possible to do by competition. For the end really sought is the elimination of competition and the consequent control of prices.

Any one who has any doubt on this score has only to examine the history of those innumerable consolidations which ran riot in the first decade of this century and whose consolidation were to put an end to that fierce competition which already threatened their great earning power.

The control of an industry of any moment to-day involves a great and unusually widespread organization with tentacles in every part of the country.

Every such consolidation, now as then, has many high-salaried officials who usually have outside interests which naturally conflict with their duties to the original concern. The offices are generally in buildings with high rents, and the matters of ease and comfort, and sometimes decorations, overtop those of economy. There are many private offices with clerks and stenographers who are busy only part of the time, especially when the boss is away. As against this is the common custom of the smaller concern, where all work upon the same floor in open view of each other, where loafing on the job is not easy when everyone is unconsciously watching everyone else.

There is much specialization of work where many men do only one thing, and are not always busy at that, as opposed to the custom in a lesser concern of every man being a maid-of-all-work and doing whatever he is called upon to do. There is much unnecessary traveling, especially by the officials, and at the expense of the concern. Telegrams and long distance telephone calls are freely used when in many cases a letter would answer as well. There is always a percentage of employees who are not really needed, but it is nobody's business to weed them out. There is superficial examination of expense accounts, and much entertaining which looks well, but gets nowhere, and which the smaller manufacturer dispenses with because he cannot afford it.

Big Business Leaks

The greater the concern the more it must subscribe to all sorts of enterprises and charities as a matter of policy. The larger the business the more numerous the leaks which no one suspects, and which usually turn up by accident. There are extraneous activities added to the "curriculum" of the organization which do not contribute to its original purpose, but are only an added expense. The greater the business the greater the necessity of system and method and they are expensive and not as efficient as the personal equation of the intelligent and trained individual in the smaller organization. So likewise, in the selling end. There are often agencies and warehouses which may be necessary, but are costly as compared with the operation of the one central manufacturing plant.

Now all of these things and many more like them are very human, often inevitable, sometimes very admirable and serve a certain economic and social purpose. But they are not economical compared with the operations and methods of a smaller and more compact plant. The economies which result in a large consolidation are usually, and often solely, those of manufacturing, but they are more than offset by those innumerable overhead expenses which I have recited. The smaller concern has to consider every item of expense, and as a natural consequence, its cost of doing business is always less than that of its great competitor, even though its gross percentage of profit is usually smaller.

The most serious feature of the control of any industry is the loss of incentive on the part of the monopolizing party as to rendition of service. Service is confessedly the greatest and most effective bid for patronage, and it is usually rendered in proportion to the extent to which competition exists.

The worst feature of the control of an industry is the elimination of competition brought about by the consolidation of all the former producing and competing units. Competition is often a ruthless procedure; but no other way has yet been discovered to produce satisfactory results. Where there is but one source of supply, human nature is not apt to exert itself more than is absolutely necessary for a business which perforce can go nowhere else.

The business world, and the consumer, have learned that monopolies are by their very nature expensive and uneconomical and that competition alone is the source of lower costs and satisfactory service.

AMERICAN TIN PLATE

United States Now Produces Three Fourths of World Suppl y

NEW YORK.—The Welsh Tin Plate Manufacturers en route to America to study manufacturing methods will find the United States producing three-fourths of the tinplate of the world, while 20 years ago she produced none. Meantime imports have fallen from 1,000,000,000 pounds in the year in which the industry was inaugurated to practically nothing last year. Production, which made its first record in 1891, amounted in that year to about 3,000,000 pounds, reached 1,000,000,000 in 1903, 2,000,000,000 in 1912, 3,387,000,000 in 1917, and approximately a like quantity in 1918.

This rapid growth in domestic production only comfortably supplied domestic requirements until within recent years, for it was not until 1900 that exportations reached as much as 1,000,000 pounds, advancing to 26,000,000 pounds in 1910 and 106,000,000 pounds in 1914, the year preceding the war. Then they jumped to 516,000,000 pounds in 1916, 560,000,000 in 1918, and in the fiscal year 1919 just ending approximated 600,000,000 pounds. At the beginning of the war the production of tinplate formed approximately two-thirds of that of the world but with the fall off in production in the other tinplate producing countries, Great Britain, Germany, France and Belgium, U. S. production at the present time forms, according to an estimate by The National City Bank of New York, about three-fourths of the output of the world.

RETAILERS AND HOSIERY PROFITS

Charge That $2.50 is Charged for 87½ Cent Product Effectively Met

In regard to the statement made before the High Cost of Living Commission by, Richard Thomson, of Carleton Place, president of the Canadian Woolen Manufacturers' Association, that the manufacturer receives 87½ cents for a pair of stockings and the consumer pays $2.50 for them, the head of the hosiery department in one of Toronto's large department stores tells *Dry Goods Review*, that there is no stocking bought at that figure selling as high as $2.50 per pair. Stockings that cost $10.50 per dozen, or approximately 87½ cents per pair, sold at $1.25. The cheapest cotton stocking could be purchased at $1.80 per dozen, and they were sold retail at 22 cents per pair. This buyer stated that his company was quite satisfied with a net profit of 7 per cent. The cost of bringing the stockings to the store after they were purchased at the mill was by no means a small item. On stockings costing at the factory $10.50 per dozen, and selling at $1.25 per pair, there was a gross profit of 32 per cent. The past year, however, nearly all deliveries have been by express rather than by freight, adding considerably to the charges. He figured that the cost of handling these stockings, including express, salesmen, and all other incidental expenses of doing business. would be in the neighborhood of 25 per cent., leaving a net profit of 7 per cent. In his opinion there was no retailer selling an 87½ cent stocking at $2.50.

Another of the leading Toronto buyers stated that the most his store ever priced its hosiery at was at figures approximately doubling the invoiced price. That is, a stocking costing in the United States $4.50 a dozen would be retailed at $9.00 or 75 cents a pair. The 37½ cents added to the invoiced price had to cover 35 per cent. duty, 5 per cent. for insurance, exchange, transportation charges, and besides, the returns which always accompany goods of that grade. This would leave a net profit of 8 to 10 per cent. The margin was considerably closer on goods bought in small lots, such as samples, seconds, etc. This buyer too, does not believe that there are any merchants selling hosiery which costs 87½ cents for $2.50. The highest he has ever asked for them is $1.75. The only way he could account for anyone making such a statement would be in the case of goods bought before the war at 87½ cents. The price of these, from the manufacturers to-day would necessitate a retail price of $2.50, but it was unlikely that any 87½ cent pre-war goods were on the shelves of any but some small stores where the turnover was slow. It was far away from any true statement of facts for anyone to say that an 87½ cent stocking from the manufacturer is costing the consumer $2.50.

C.M.A. AFFAIRS

Continued from page 1.

self an unusually broad type of Minister.

Anyway it was the last straw, and mutterings from a certain influential quarter developed into a suggestion that THE FINANCIAL POST tell its readers that Mr. Parsons had now no official position in the association, and that his prolific utterances misrepresented the great mass of manufacturers, and never more so than when he, as a manufacturer, went out of his way to suggest an investigation of merchants' books for the real cause of the higher living costs. As requested, FINANCIAL POST pointed this out, and as many of our readers know Mr. Parsons did not take the hint. Instead, he occupied much time at the annual meeting in an attack on me and my motives. Chiefly, he said the article was due to his refusal to take up a grievance with Mr. Murray, their secretary. This was a serious charge and he clearly misled the meeting.

The facts are these: Business newspaper publishers, in common with the paper makers, Western Canada manufacturers, and other members, had complained of the way Mr. Murray was dealing with their interests. A Made-in-Canada campaign was in progress and the association offices were all the time actually using foreign, instead of Canadian-made paper. Because of dissatisfaction, the Western manufacturers decided to withdraw, and had actually formed new associations. These things had all been righted more than a year ago by the retirement of Mr. Murray and could not have had the remotest connection with the article in THE FINANCIAL POST saying that Mr. Parsons no longer spoke for the C. M. A.

Mr. Parsons further said I had come to him soon after he was elected president and denounced Mr. Murray. I said this was untrue, that I thought I had Mr. Parsons' own letters to prove it, and that I would answer for the benefit of the members generally in THE FINANCIAL POST. I am able to do so. The letters show that it was Mr. Murray who went to Mr. Parsons, and Mr. Parsons had come to me just as Lloyd Harris, T. A. Russell, Mr. Sherrard, and others had come to me on the same errand. I said I could not take the matter up until a libel action I had brought was disposed of. The file shows that Mr. Parsons made his first approach to me on Mr. Murray's behalf through the editor of THE FINANCIAL POST, October 24, 1917. Next he writes, November 2, saying that Mr. Murray had spoken to him and says he wants to bring us together. On December 31 he writes respecting this and saying that Mr. Murray was anxious to meet me, and so he goes on.

This evidence is surely sufficient. Mr. Parsons' own letters, signed by himself, prove that he stated what was untrue to the annual meeting. These are only part of his misstatements. More exposure of Mr. Parsons and the Sam Harris clique and their petty politics are to follow, which I hope will speed up the reorganization of the C. M. A., overcome the mistrust and antagonism that is hampering all Canadian progress. One has only to read the newspapers right across Canada to fully understand the very unfair attitude, due to an entire misunderstanding of manufacturing and business problems.

I cannot do better than quote from a letter received from a well-known financier: *"The explaining Mr. P. in F.P. of 21/6/19. First Class! Inflated heads and pneumatic tongues are doing the country more harm than inflated prices! Keep it up!"*

The man to keep it up is a good general manager or salaried president. We will help him with constructive publicity among those interested in manufacturing problems.

A VANCOUVER SHAKE-UP

New Port Commissioner to Spend Millions on Improvements

VANCOUVER.—As indicated some weeks ago, there is to be a big shake-up in the personnel of the Vancouver Harbor Commission. The Minister of Marine and Fisheries, Hon. Mr. Ballantyne, has asked for and has secured the resignations of the three existing members who were appointed in September, 1913. They are Messrs. Carter Cotton, chairman, J. A. Fullerton and S. McClay. The ostensible reason for demanding the resignations is that the Minister wants new blood on the board to handle the big construction programme which is to be inaugurated soon.

CABINET-MAKING IS NOW ORDER OF DAY AT OTTAWA

Continued from page 1.

doubted sacrifice he has been making by remaining in politics; but the position of second fiddle was not sufficiently attractive, with the small financial reward for the enormous amount of work and worry entailed. Sir Robert Borden showing no intention of retiring, the natural sequence was that he should find a new minister of finance.

Cabinet Reconstruction

The resignation of Sir Thomas White undoubtedly means a great loss to the country at this time. His career in the house has been one of steady growth in usefulness and influence; and no other single member of the cabinet could have been less easily spared. His departure makes the work of reconstruction with which the premier is confronted, immensely more difficult. Hon. A. K. MacLean, who scored a great success as acting finance minister, departs for a holiday trip in Great Britain this week—or such was his program when parliament prorogued—and it was not his intention to remain in the cabinet on his return. Hon. Frank Carvell has been on the point of retiring for months, and his departure is certain. Reconstruction is a big job.

If the premier had the courage to face public opinion he could lay his hand on a man who probably cannot be matched in all-around ability in Canada. Sir Joseph Flavelle would be of enormous strength to any cabinet were it not for the fact that he has made a great deal of money out of a common food product, the high price of which has made it a synonym for profiteering in the mind of the people. As a matter of fact, all the evidence is that the profits per pound of the company with which Sir Joseph Flavelle is connected, were merely fractional.

Prejudice wil probably lose to the state the advantage of this man's unique business and organizing ability. As Minister of Trade and Commerce. Sir Joseph Flavelle would be worth a million a year salary to Canada at this time.

T. M. F.

GOVERNMENT RAILWAYS

Loss For Year Expected to Total $28,000,000

OTTAWA.—It is expected that there will be a loss this year in connection with the operation of the Canadian Government Railways of about $19,000,000, according to an estimate presented to the Commons July 5, just before midnight; a loss of about $9,000,000 is also expected in connection with the operation of the Grand Trunk Pacific, which will have to be met, so that the total loss on operation will be $28,000,000.

The gross earnings of the Canadian Northern part of the system were estimated to be $94,000,000 and the working expenses $103,946,000, while the gross revenue from the old Government railways was placed at $37,321,485 and the working expenses $42,812,240.

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